



Long Range Financial Plan 2018-2022



Instrument of Adoption



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Board of Supervisors

Chairperson: Diane Greenlee

Supervisor: Skip Rath

Supervisor: Wade Sweger

Supervisor: Steve Heumiller

Supervisor: Dan Schreiber

Ex-Officio: Ian Haas, Town Administrator

Ex-Officio: Karry DeVault, Town Clerk

Ex-Officio: Brooke Joos, Town Attorney

Ex-Officio: Frank McKearn, Town Engineer

Town Administrator

Ian Haas

Department Heads

Gene Wright, Fire Chief

Ron Northrop, Police Chief

Joe Rose, Public Works

Karry DeVault, Clerk

Sara Regenauer, Finance Director/Treasurer

Overview

The Town of Beloit has created a long-term financial plan that would guide its financial management over a five-year planning period. In addition to forecasting operating and capital requirements and associated sources of funding, the long-term financial plan provides guidance for budgeting, borrowing, capital financing, and reserve fund management. In approving the financial plan, the Town also adhered to recommended best practices established by the Government of Finance Offices Association (GFOA).

The plan begins by understanding the property tax levy limit and future tax levy assumptions and operational forecasts. Next we look at the projected future capital budget and the long range plan for large capital projects that will require debt financing. The impact of completing those projects on our debt capacity and debt service levy are detailed within.

The Town continues to strive for balance with regards to managing its operating and capital budgets in both the best interest of the Town and in the best interest of the Town's residents. The need to invest in aging infrastructure and maintain affordability of the high standards of municipal services that our residents are accustomed to are key focal points. Utilizing the Town's Community Improvement Plan, Investment Plan, Facilities Plan, Parks Plan, and Sewer Rate Study, the Town has created a financial plan that is intended to cover the next five years (2018-2022).



About the Plan

The development of the long-term financial plan followed the guidance established by the GFOA, which recommended a systematic approach that considered:

- The Town's financial environment, which provides an indication as to the factors that have influenced the Town's present financial performance and position;
- The Town's financial policies which establishes the guidelines for financial management;
- The Town's projected financial performance and position, which reflects key assumptions over revenues, operating expenses, capital investment, long-term debt activity, and reserve and reserve fund contributions from withdrawals;
- The Town's key financial indicators, which form the basis for evaluating the Town's financial performance and position in comparison to municipal comparators and reflect the Town's performance based on sustainability, visibility, and flexibility.



The financial plan is based on the Town's 2018 operating and capital budgets and covers a five-year planning horizon. This plan will be reviewed and updated annually.



Key Assumptions

In projecting the long-term financial plan, a number of assumptions were made that reflect the past and future financial environment and trends for the Town. The main assumptions include the following:

- Operating costs will increase at annual rates averaging 1.75% depending on the nature of the expenditure item;
- Capital expenditures will be consistent with the Town's capital budget forecast for the period 2018 through 2022. While the Town is currently contemplating several major initiatives, only those sufficiently advanced to merit inclusion in the long-term financial plan are found within.

Projected financial performance and position

The Town's 2018 budget reflects \$5,552,514 in operating expenses which includes financing for new capital expenditures. In order to finance these outlays, the Town has levied almost \$3 million in taxes, with grants, user fees, and reserve contributions accounting for the remaining revenue sources.

Over the next 5 years, the Town's operating expenses (including debt servicing costs and contributions to reserves and reserve funds) are expected to increase to \$6.8 million annually, with a total of \$25 million spent on capital expenditures over the five year planning horizon. By 2022, the Town's annual municipal levy is forecasted to rise to \$3.9 million, representing an annual increase of .74%. On a per household basis, the Town's portion of residential property taxes are expected to be in the order of \$883 per \$100,000 household by 2022, compared to the current level of \$684 per \$100,000 household.

The long-term financial plan forecasts an increase in the Town's overall debt levels, with outstanding P&I debt increasing from a level of \$873,892 in 2018 to \$1.8 million in 2022. At the same time, the Town's net change in fund balances are projected to be in the order of \$215,000, which is an improvement from the 2018 levels. Key financial outcomes from the long-term financial plan are provided on the following pages.

Levy Limits



The Town's property tax levy for operations and capital purchases is limited to net new construction less the previous year's debt service principal and interest payments, plus the projected principal and interest payments for the current year. For purposes of the financial plan, we have assumed the Town will be able to increase taxes to sufficiently cover any net increase to principal and interest payments on debt.

The Town is well below the tax levy limit over the next 5 years. Every effort is made to structure debt service payments so that as debt is paid off, new debt is added in order to minimize the increase of the debt service tax levy.

Summary of Property Taxes by Fund

Based on the moderate tax levy option, page 12 shows how the tax levy would be applied to the General Fund.

Schedule of Revenues, Expenditures and Changes in Fund Balance

The table on page 13 and 14 summarizes the revenues and expenditures for the General Fund and the Debt Service Fund. The schedule shows 2018 budget and preliminary projections.



2018-2022 Financial Plan					
Debt Service - Principal and Interest Payments - For Current and Projected Levy Debt					
Budget Year	2018	2019	2020	2021	2022
Principal and Interest (P&I) on Levy Funded Debt					
Existing Debt Schedule	\$ 873,888.00	\$ 1,177,803.00	\$ 1,319,804.00	\$ 1,477,355.00	\$ 1,580,711.00
Future Debt - Per Long Range Plan	\$ -	\$ 120,814.00	\$ 190,840.00	\$ 106,428.00	\$ 244,300.00
Total Projected Debt Service (P&I)	\$ 873,888.00	\$ 1,298,617.00	\$ 1,510,644.00	\$ 1,583,783.00	\$ 1,825,011.00
Total Levy Funded Debt Service	873,888.00	1,298,617.00	1,510,644.00	1,583,783.00	1,825,011.00
\$ Change in Debt Service	\$ (20,422.77)	\$ 424,729.00	\$ 212,027.00	\$ 73,139.00	\$ 241,228.00
% Change in Debt Service	-2.28%	48.60%	16.33%	4.84%	15.23%
Gross Debt service cost per \$100,000 household	\$189.00	\$280.85	\$326.72	\$342.53	\$394.70

2018-2022 Financial Plan						
Tax Levy Limits						
Budget Year	2018	2019	2020	2021	2022	
Prior Year's Tax Levy Limit	\$ 2,903,820	\$ 2,921,327	\$ 3,361,285	\$ 3,588,658	\$ 3,677,258	
Prior Year's Tax Levy Limit minus prior year's P&I	\$ 2,032,315	\$ 2,047,435	\$ 2,062,668	\$ 2,078,014	\$ 2,093,475	
Growth Factor (% increase in equalized value from net new construction)	0.744%	0.75%	0.75%	0.75%	0.75%	
Net new construction %	\$ 2,047,435	\$ 2,062,668	\$ 2,078,014	\$ 2,093,475	\$ 2,109,050	
P&I on Debt	\$ 873,892	\$ 1,298,617	\$ 1,510,644	\$ 1,583,783	\$ 1,825,011	
Allowable Tax Levy for Debt	\$ 873,892	\$ 1,298,617	\$ 1,510,644	\$ 1,583,783	\$ 1,825,011	
Maximum Allowable Levy	\$ 2,921,327	\$ 3,361,285	\$ 3,588,658	\$ 3,677,258	\$ 3,934,061	
Levy Used in Planning	\$ 2,921,327	\$ 3,361,285	\$ 3,588,658	\$ 3,677,258	\$ 3,934,061	

Tax Levy Limits Continued					
Budget Year	2018	2019	2020	2021	2022
Levy Used in Planning	\$ 2,921,327	\$ 3,361,285	\$ 3,588,658	\$ 3,677,258	\$ 3,934,061
Levy Needed for Debt Service	\$ 873,892	\$ 1,298,617	\$ 1,510,644	\$ 1,583,783	\$ 1,825,011
Levy Used in Operations	\$ 2,047,435	\$ 2,062,668	\$ 2,078,014	\$ 2,093,475	\$ 2,109,050
Change in Operating Levy	\$ 15,120	\$ 15,233	\$ 15,346	\$ 15,460	\$ 15,575
% Change in Operating Levy	0.74%	0.74%	0.74%	0.74%	0.74%
Assessed Values (\$1,000's) 2% annual growth					
Total Assessed 1/1 prior year	427,063,200	435,604,464	444,316,553	453,202,884	462,266,942
Town Only Tax Rate					
Per \$1,000 net assessed	\$ 6.84	\$ 7.75	\$ 8.20	\$ 8.33	\$ 8.83
Estimated Town Tax Bill for a					
\$100,000 home	\$ 684	\$ 775	\$ 820	\$ 833	\$ 883
Change from prior year	\$ 5	\$ 91	\$ 45	\$ 13	\$ 50
% Change from prior year	0.73%	11.71%	5.48%	1.62%	5.65%

2018-2022 Financial Plan						
Property Taxes by Fund						
Tax Levy	2018	2019	2020	2021	2022	
General Fund						
Boards and Commissions	\$ 169,835	\$ 171,098	\$ 172,371	\$ 173,654	\$ 174,945	
Administration	\$ 133,902	\$ 134,898	\$ 135,902	\$ 136,913	\$ 137,932	
Clerk	\$ 7,166	\$ 7,219	\$ 7,273	\$ 7,327	\$ 7,382	
Finance	\$ 5,938	\$ 5,982	\$ 6,026	\$ 6,071	\$ 6,116	
Fire & Ambulance	\$ 716,602	\$ 721,934	\$ 727,305	\$ 732,716	\$ 738,168	
Police	\$ 603,993	\$ 608,487	\$ 613,014	\$ 617,575	\$ 622,170	
Community Development	\$ 40,949	\$ 41,253	\$ 41,560	\$ 41,869	\$ 42,181	
Court	\$ 30,712	\$ 30,940	\$ 31,170	\$ 31,402	\$ 31,636	
Roads	\$ 20,474	\$ 20,627	\$ 20,780	\$ 20,935	\$ 21,091	
Parks	\$ 307,115	\$ 309,400	\$ 311,702	\$ 314,021	\$ 316,358	
Recycling	\$ 5,119	\$ 5,157	\$ 5,195	\$ 5,234	\$ 5,273	
Money to Benefit Account	\$ 5,630	\$ 5,672	\$ 5,715	\$ 5,757	\$ 5,800	
Debt Service Fund (includes capital projects)	\$ 873,892	\$ 1,298,617	\$ 1,510,644	\$ 1,583,783	\$ 1,825,011	
Total Town Tax Levy	\$ 2,921,327	\$ 3,361,285	\$ 3,588,658	\$ 3,677,258	\$ 3,934,061	
% Change in Total Levy	0.73%	11.71%	5.48%	1.62%	5.65%	
Net Assessed Value (\$1,000's)						
as of prior year 1/1	427,063,200	435,604,464	444,316,553	453,202,884	462,266,942	
Town Only Tax Rate						
per \$1,000 net assessed	6.84	7.75	8.20	8.33	8.83	
Estimated Town Tax Bill for a						
\$100,000 home	\$ 684	\$ 775	\$ 820	\$ 833	\$ 883	
Change from prior year	\$ 5	\$ 91	\$ 45	\$ 13	\$ 50	
% Change from prior year	0.73%	11.71%	5.48%	1.62%	5.65%	

Operational forecast

This schedule projects a potential future increase in fund balance. This increase occurs in part because we have assumed that although operating expenses will increase due to inflation annually; revenues will also increase particularly due to an increase in Utility Shared Revenue beginning in 2020 and an increase in Returns on Investments in 2019. We are conservative on the expectation for future revenue growth. For example, we do not predict any revenue increases from state sources in future years and have used 1% baseline for any increases for operations. Each year as we review our annual budget, any operational deficits are addressed and the budget is balanced so that we are not drawing down on our reserves.

Revenues, Expenditures, and Changes in Fund Balances						
Governmental Funds - General Fund, Debt Service Fund						
Budget Year	2018	2019	2020	2021	2022	
Property Taxes						
Property Tax Levy	\$ 2,921,327	\$ 3,361,285	\$ 3,588,658	\$ 3,677,258	\$ 3,934,061	
Other Revenues - General Fund						
Boards & Commissions (1%)	\$ 1,226,956	\$ 1,228,183	\$ 1,352,919	\$ 1,477,780	\$ 1,602,766	
Administration (1%)	\$ 390,221	\$ 394,123	\$ 398,064	\$ 402,045	\$ 406,066	
Clerk (0%)	\$ 25,784	\$ 26,042	\$ 26,302	\$ 26,565	\$ 26,831	
Finance (0%)	\$ 11,750	\$ 32,000	\$ 52,250	\$ 72,500	\$ 92,750	
Fire & Ambulance (1%)	\$ 427,823	\$ 432,101	\$ 436,422	\$ 440,786	\$ 445,194	
Police (1%)	\$ 53,205	\$ 53,737	\$ 54,274	\$ 54,817	\$ 55,365	
Community Development (1%)	\$ 159,850	\$ 161,448.50	\$ 163,063	\$ 164,694	\$ 166,341	
Court (0%)	\$ 51,040	\$ 51,040	\$ 51,040	\$ 51,040	\$ 51,040	
Roads (0%)	\$ 242,508	\$ 242,508	\$ 242,508	\$ 242,508	\$ 242,508	
Parks (0%)	\$ 17,800	\$ 17,800	\$ 17,800	\$ 17,800	\$ 17,800	
Recycling (0%)	\$ 9,250	\$ 9,250	\$ 9,250	\$ 9,250	\$ 9,250	
Transfer from Fund Balance	\$ 15,000	\$ -	\$ -	\$ -	\$ -	
Total Revenues	\$ 5,552,514	\$ 6,009,518	\$ 6,392,552	\$ 6,637,043	\$ 7,049,972	

Revenues, Expenditures, and Changes in Fund Balances Continued
Governmental Funds - General Fund, Debt Service Fund

Expenditures - General Fund

Boards & Commissions (1.75%)	\$ 327,947	\$ 333,686	\$ 339,526	\$ 345,467	\$ 351,513
Administration (1.75%)	\$ 110,636	\$ 112,572	\$ 114,542	\$ 116,547	\$ 118,586
Clerk (1.75%)	\$ 123,603	\$ 125,766	\$ 127,967	\$ 130,206	\$ 132,485
Finance (1.75%)	\$ 103,738	\$ 105,553	\$ 107,401	\$ 109,280	\$ 111,193
Fire & Ambulance (1.75%)	\$ 1,660,822	\$ 1,689,886	\$ 1,719,459	\$ 1,749,550	\$ 1,780,167
Police (1.75%)	\$ 1,632,295	\$ 1,660,860	\$ 1,689,925	\$ 1,719,499	\$ 1,749,590
Community Development (1.75%)	\$ 108,647	\$ 110,548	\$ 112,483	\$ 114,451	\$ 116,454
Court (0%)	\$ 27,324	\$ 27,324	\$ 27,324	\$ 27,324	\$ 27,324
Roads (1.75%)	\$ 511,396	\$ 520,345	\$ 529,451	\$ 538,717	\$ 548,144
Parks (1.75%)	\$ 40,845	\$ 41,560	\$ 42,287	\$ 43,027	\$ 43,780
Recycling (1.75%)	\$ 14,239	\$ 14,488	\$ 14,742	\$ 15,000	\$ 15,262
Debt Service	\$ 873,892	\$ 1,298,617	\$ 1,510,644	\$ 1,583,783	\$ 1,825,011
Transfer from Fund Balance	\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,000
Total Expenditures	\$ 5,550,384	\$ 6,056,207	\$ 6,350,751	\$ 6,507,851	\$ 6,834,510
Net Change in Fund Balances	\$ 2,130	\$ (46,689)	\$ 41,801	\$ 129,192	\$ 215,462

Capital Planning

The Capital Projects schedule shown on the following pages, reports the various capital revenues sources including property taxes, state aids, bond proceeds, grants, and transfers from other funds. Recurring and smaller capital items are primarily funded through property taxes and other recurring revenues. Large capital expenditures are primarily funded with bond proceeds and the proceeds of specific grants.

The Town maintains a schedule of all equipment and small capital assets over \$5,000. This schedule includes estimated replacement dates for all assets. Each year, department heads review and update this schedule as well as identify any new equipment needs. Based on department head input, these items are then incorporated into the current year capital budget. The Town also does smaller paving and road maintenance projects in accordance with the Facility and Community Improvement Plan.

This plan captures the combination of planning efforts that have been done for the Town's infrastructure assets including roads, sanitary sewer, and storm water as well as other large capital projects.

The goal of the Community Improvement Plan is to gather all of the Town's projects which would be financed with long term debt. By reviewing these projects together the Town can monitor the impact of these projects on our total outstanding general obligation debt and borrowing capacity. These schedules can be found on pages 16-23. Additional descriptive narratives and/or illustrations of each item can be found within the Community Improvement Plan, the Parks Plan, and the Facilities Plan.



2018-2022 Funding Sources by Year

	2018	2019	2020	2021	2022	2018-2022 Total
Major Capital Projects						
Governmental Funds						
10 Yr GO Debt	\$ 1,338,798.00	\$ 670,811.00	\$ 1,286,074.00	\$ 750,998.00	\$ 3,194,003.00	\$ 7,240,684.00
15 Yr GO Debt						\$ -
20 Yr GO Debt	\$ 5,572,511.00			\$ 2,750,000.00		\$ 8,322,511.00
General Fund Budget		\$ 32,500.00	\$ 10,000.00	\$ 2,500.00		\$ 45,000.00
Shared Revenues						\$ -
Local or State Funding/Grants/Donations	\$ 366,405.00	\$ 21,000.00	\$ 565,250.00			\$ 952,655.00
Other (Sale of Prop, etc)						\$ -
Subtotal Governmental Capital Projects	\$ 7,277,714.00	\$ 724,311.00	\$ 1,861,324.00	\$ 3,503,498.00	\$ 3,194,003.00	\$ 16,560,850.00
Enterprise Funds						
10 Yr GO Debt	\$ 18,500.00	\$ 330,000.00	\$ 480,000.00			\$ 828,500.00
20 Yr Revenue Bonds	\$ 2,075,000.00	\$ 572,681.00				\$ 2,647,681.00
20 Yr Clean Water Fund Loan (CWFL)	\$ 3,150,698.00					\$ 3,150,698.00
Sewer Operating Budget			\$ 16,000.00			\$ 16,000.00
Other (Sale of Prop, etc)						\$ -
Subtotal Enterprise Capital Projects	\$ 5,244,198.00	\$ 902,681.00	\$ 496,000.00	\$ -	\$ -	\$ 6,642,879.00
Total Major Capital Projects	\$ 12,521,912.00	\$ 1,626,992.00	\$ 2,357,324.00	\$ 3,503,498.00	\$ 3,194,003.00	\$ 23,203,729.00

Fleet													
Governmental Funds													
10 Yr GO Debt	\$	315,862.00	\$	270,000.00	\$	315,700.00	\$	74,450.00	\$	367,570.00	\$	1,343,582.00	
Transfer From General Fund (Tax Levy)												\$	-
Other (Sale of Prop, etc)												\$	-
Subtotal Governmental Fleet	\$	315,862.00	\$	270,000.00	\$	315,700.00	\$	74,450.00	\$	367,570.00	\$	1,343,582.00	
Enterprise Funds													
10 Yr GO Debt	\$	-	\$	36,000.00	\$	-	\$	-	\$	50,000.00	\$	86,000.00	
Federal Funding												\$	-
Other (Sale of Prop, etc)												\$	-
Subtotal Enterprise Fleet	\$	-	\$	36,000.00	\$	-	\$	-	\$	50,000.00	\$	86,000.00	
												\$	-
Total Fleet	\$	315,862.00	\$	306,000.00	\$	315,700.00	\$	74,450.00	\$	417,570.00	\$	1,429,582.00	
												\$	-
Grant Total CIP		\$12,965,049.00		\$ 2,047,792.00		\$ 2,719,724.00		\$ 3,698,498.00		\$ 3,726,843.00		\$25,157,906.00	
Equipment													
Governmental Funds													
10 Yr GO Debt	\$	34,275.00	\$	101,800.00	\$	45,200.00	\$	93,050.00	\$	109,270.00	\$	383,595.00	
Local or State Funding/Grants/Donations	\$	1,000.00	\$	1,000.00	\$	1,500.00	\$	2,500.00	\$	1,500.00	\$	7,500.00	
Shared Revenues												\$	-
Other (Sale of Prop, etc)												\$	-
Subtotal Governmental Equipment	\$	35,275.00	\$	102,800.00	\$	46,700.00	\$	95,550.00	\$	110,770.00	\$	391,095.00	
Enterprise Funds													
10 Yr GO Debt	\$	92,000.00	\$	12,000.00			\$	25,000.00	\$	4,500.00	\$	133,500.00	
Other (Sale of Prop, etc)												\$	-
Subtotal Enterprise Equipment	\$	92,000.00	\$	12,000.00	\$	-	\$	25,000.00	\$	4,500.00	\$	133,500.00	
Total Equipment	\$	127,275.00	\$	114,800.00	\$	46,700.00	\$	120,550.00	\$	115,270.00	\$	524,595.00	

Capital Projects by Year

Project Name	2018	2019	2020	2021	2022	2018-2022 Total
Governmental Funds:						
Administration New Town Hall				\$ 2,750,000.00	\$ -	\$ 2,750,000.00
Administration Total	\$ -	\$ -	\$ -	\$ 2,750,000.00	\$ -	\$ 2,750,000.00
DPW - Roads New Dept of Public Works Building	\$ 4,707,511.00					\$ 4,707,511.00
Safe Route to School (SRTS)/Federal Trans. Alt.	\$ 100,000.00	\$ 142,000.00	\$ 558,000.00			\$ 800,000.00
208 Westside Sewer - Road Portion	\$ 865,000.00					\$ 865,000.00
Infrastructure Projects - Road Reconstruction	\$ 681,256.00	\$ 520,311.34	\$ 945,824.00	\$ 700,998.30	\$ 3,188,003.00	\$ 6,036,392.64
Dept of Public Works Total	\$ 6,353,767.00	\$ 662,311.34	\$ 1,503,824.00	\$ 700,998.30	\$ 3,188,003.00	\$ 12,408,903.64
Fire Station #2	\$ 325,000.00					\$ 325,000.00
40 face pieces for SCBA			\$ 185,000.00			\$ 185,000.00
Floor Scrubber			\$ 5,000.00			\$ 5,000.00
Govert Phone System			\$ 17,000.00			\$ 17,000.00
Equipment Trailer (Decon)			\$ 6,000.00			\$ 6,000.00
Eagle Raptor SCBA Compressor				\$ 50,000.00		\$ 50,000.00
Fire Total	\$ 325,000.00	\$ -	\$ 213,000.00	\$ 50,000.00	\$ -	\$ 588,000.00
Police Update building security-video camera sys.	\$ 7,500.00					\$ 7,500.00
Repairs-building mechanical & electrical sys.	\$ 20,000.00					\$ 20,000.00
Remodel of PD offices and processing area	\$ 28,500.00					\$ 28,500.00
Turnout Lockers	\$ 6,337.00					\$ 6,337.00
Parking Lot and exterior building lighting	\$ 3,800.00					\$ 3,800.00
Shed - 12x20 storage		\$ 5,000.00				\$ 5,000.00
PD interior and exterior painting		\$ 5,000.00				\$ 5,000.00
Carpeting - replace at PD		\$ 12,000.00				\$ 12,000.00
K-9 purchase and training			\$ 14,500.00			\$ 14,500.00
Locker room benches					\$ 6,000.00	\$ 6,000.00
Police Total	\$ 66,137.00	\$ 22,000.00	\$ 14,500.00	\$ -	\$ 6,000.00	\$ 108,637.00
Parks Armstrong Eddy Parking Lot & Boat Launch	\$ 522,811.00					\$ 522,811.00
Hemmer Nature Preserve / Trail	\$ 10,000.00					\$ 10,000.00
Whispering Heights Park - playground & lights		\$ 12,500.00				\$ 12,500.00
McKearn Park - Repair Drainage Problem		\$ -				\$ -
Webermeier Park - Diamond & Playground		\$ 25,000.00				\$ 25,000.00
Plantings - All Parks		\$ 2,500.00	\$ 2,500.00	\$ 2,500.00		\$ 7,500.00
Bel-Crest Park - walkway, gazebo, benches			\$ 17,500.00			\$ 17,500.00
Turner Estates Park - walking paths, parking			\$ 110,000.00			\$ 110,000.00
Preservation Park - Remove Ball Diamond				\$ -		\$ -
McKearn Park - add soccer, sftball, vball					\$ -	\$ -
Parks Total	\$ 532,811.00	\$ 40,000.00	\$ 130,000.00	\$ 2,500.00	\$ -	\$ 705,311.00
Governmental Funds Total	\$ 7,277,715.00	\$ 724,311.34	\$ 1,861,324.00	\$ 3,503,498.30	\$ 3,194,003.00	\$ 16,560,851.64



Enterprise Funds:

DPW - Sewer	208 Westside Sewer - Sewer Portion	\$ 5,225,698.00					\$ 5,225,698.00
	Heating & Air - Sewer Plant Offices	\$ 18,500.00					\$ 18,500.00
	Valley Sewer		\$ 572,681.00				\$ 572,681.00
	Lift Station #4 Yost Dr.		\$ 250,000.00				\$ 250,000.00
	Case Tractor		\$ 80,000.00				\$ 80,000.00
	Well at Sewer Plant			\$ 8,000.00			\$ 8,000.00
	1 HP Slide Gate Operator			\$ 8,000.00			\$ 8,000.00
	Lift Station #1 Preservation Park			\$ 480,000.00			\$ 480,000.00
	Sewer Total	\$ 5,244,198.00	\$ 902,681.00	\$ 496,000.00	\$ -	\$ -	\$ 6,642,879.00
	Enterprise Funds Total	\$ 5,244,198.00	\$ 902,681.00	\$ 496,000.00	\$ -	\$ -	\$ 6,642,879.00
	Total Projects by Year	\$ 12,521,913.00	\$ 1,626,992.34	\$ 2,357,324.00	\$ 3,503,498.30	\$ 3,194,003.00	\$ 23,203,730.64

Project Name	2018	2019	2020	2021	2022	2018-2022 Total
Governmental Funds:						
Administration						
Phones Plus Phone System - at new Town Hall					\$ 4,500.00	\$ 4,500.00
Clarity Systems					\$ 73,000.00	\$ 73,000.00
Generator - at new Town Hall					\$ 5,500.00	\$ 5,500.00
Computer Server - at new Town Hall					\$ 7,500.00	\$ 7,500.00
Administration Total	\$ -	\$ -	\$ -	\$ -	\$ 90,500.00	\$ 90,500.00
DPW - Roads						
Grapple for Bobcat Loader	\$ 5,000.00					\$ 5,000.00
Truck Sander/Gravel Spreader	\$ 8,000.00					\$ 8,000.00
Rhino Ditch Mower			\$ 20,000.00			\$ 20,000.00
Chain Link Fence Brush Site				\$ 5,600.00		\$ 5,600.00
Dept of Public Works Total	\$ 13,000.00	\$ -	\$ 20,000.00	\$ 5,600.00	\$ -	\$ 38,600.00
Fire						
3 RIT kit replacement	\$ 11,000.00					\$ 11,000.00
DNR Matching Grant for equipment	\$ 4,675.00					\$ 4,675.00
Replace MSA EVOL 5200 TIC Camera		\$ 8,000.00				\$ 8,000.00
Power Pro Ambulance Cot		\$ 12,000.00				\$ 12,000.00
MSA Thermal Imaging Camera		\$ 6,500.00				\$ 6,500.00
Treadmill		\$ 3,500.00				\$ 3,500.00
Elliptical		\$ 4,500.00				\$ 4,500.00
Lawn Mower			\$ 5,000.00			\$ 5,000.00
Power Pro Ambulance Cot			\$ 12,000.00			\$ 12,000.00
Lucas Chest Compression Device with Battery/Charger				\$ 16,000.00		\$ 16,000.00
Replace refurbished E Ser Difibrilator				\$ 35,000.00		\$ 35,000.00
Fire Extinguisher Trainer				\$ 5,000.00		\$ 5,000.00
Fire Total	\$ 15,675.00	\$ 34,500.00	\$ 17,000.00	\$ 56,000.00	\$ -	\$ 123,175.00
Police						
Tasers (2)	\$ 2,400.00					\$ 2,400.00
Computers (3)	\$ 3,200.00					\$ 3,200.00
Replacement of squad rifles (6)		\$ 9,600.00				\$ 9,600.00
Fax machine in patrol office		\$ 3,500.00				\$ 3,500.00
COBAN camera/body camera system		\$ 30,000.00				\$ 30,000.00
Drone package		\$ 6,000.00				\$ 6,000.00
SWAT Equipment		\$ 15,000.00				\$ 15,000.00
Computers (3)		\$ 3,200.00				\$ 3,200.00
Computer Server			\$ 5,000.00			\$ 5,000.00
Computers (3)			\$ 3,200.00			\$ 3,200.00
Laptops for squads (8), tablets				\$ 28,250.00		\$ 28,250.00
Computers (3)				\$ 3,200.00		\$ 3,200.00
Computers (3)					\$ 3,200.00	\$ 3,200.00
Defibrillators (6)					\$ 10,770.00	\$ 10,770.00
Radar - handheld (4)					\$ 4,800.00	\$ 4,800.00
Vests	\$ 1,000.00	\$ 1,000.00	\$ 1,500.00	\$ 2,500.00	\$ 1,500.00	\$ 7,500.00
Police Total	\$ 6,600.00	\$ 68,300.00	\$ 9,700.00	\$ 33,950.00	\$ 20,270.00	\$ 138,820.00
Governmental Funds Total	\$ 35,275.00	\$ 102,800.00	\$ 46,700.00	\$ 95,550.00	\$ 110,770.00	\$ 391,095.00

Enterprise Funds:

DPW - Sewer	Trash Pump	\$	35,000.00					\$	35,000.00				
	Mobile Generator	\$	45,000.00					\$	45,000.00				
	Labware Dishwasher	\$	12,000.00					\$	12,000.00				
	ISCO Refridgerated Sampler (2)			\$	12,000.00			\$	12,000.00				
	Case Disk					\$	25,000.00		\$ 25,000.00				
	9" Tri-Pod						\$	4,500.00	\$ 4,500.00				
	Sewer Total	\$	92,000.00	\$	12,000.00	\$	-	\$	25,000.00	\$	4,500.00	\$	133,500.00
	Enterprise Funds Total	\$	92,000.00	\$	12,000.00	\$	-	\$	25,000.00	\$	4,500.00	\$	133,500.00
	Total Equipment by Year	\$	127,275.00	\$	114,800.00	\$	46,700.00	\$	120,550.00	\$	115,270.00	\$	524,595.00

Project Name	2018	2019	2020	2021	2022	2018-2022 Total
Governmental Funds:						
Administration Town Vehicle - Building Inspector					\$ 32,000.00	\$ 32,000.00
Town Vehicle - Code Enforcement					\$ 32,000.00	\$ 32,000.00
Administration Total	\$ -	\$ -	\$ -	\$ -	\$ 64,000.00	\$ 64,000.00
DPW-Roads Replace #2 Plow Truck	\$ 175,000.00					\$ 175,000.00
New Holland Tractor			\$ 45,000.00			\$ 45,000.00
Replace '03 Sterling Dump Truck					\$ 185,000.00	\$ 185,000.00
Dept of Public Works Total	\$ 175,000.00	\$ -	\$ 45,000.00	\$ -	\$ 185,000.00	\$ 405,000.00
Fire Replace U-29 Dodge Durango	\$ 54,000.00					\$ 54,000.00
Replace 1991 Chevy Brush Truck		\$ 40,000.00				\$ 40,000.00
Replace 2009 Dodge Ambulance		\$ 200,000.00				\$ 200,000.00
Replace 2013 Ford Explorer C-200		\$ 30,000.00				\$ 30,000.00
Jon Boat & Trailer			\$ 20,000.00			\$ 20,000.00
Replace 2012 Ford Ambulance			\$ 175,000.00			\$ 175,000.00
Replace 2012 Ford F250 PickUp Truck					\$ 40,000.00	\$ 40,000.00
Fire Total	\$ 54,000.00	\$ 270,000.00	\$ 195,000.00	\$ -	\$ 40,000.00	\$ 559,000.00
Police Replace squad 81	\$ 28,954.00					\$ 28,954.00
Replace squad 82	\$ 57,908.00					\$ 57,908.00
Replace squad 83			\$ 40,000.00			\$ 40,000.00
Replace 2014 18' Lund boat, motor, and trailer			\$ 31,700.00			\$ 31,700.00
K-9 vehicle change-over			\$ 4,000.00			\$ 4,000.00
Replace unmarked squad				\$ 36,000.00		\$ 36,000.00
Replace squad 85				\$ 38,450.00		\$ 38,450.00
Replace squad 84					\$ 39,285.00	\$ 39,285.00
Replace squad 87					\$ 39,285.00	\$ 39,285.00
Police Total	\$ 86,862.00	\$ -	\$ 75,700.00	\$ 74,450.00	\$ 78,570.00	\$ 315,582.00
Governmental Funds Total	\$ 315,862.00	\$ 270,000.00	\$ 315,700.00	\$ 74,450.00	\$ 367,570.00	\$ 1,343,582.00



Enterprise Funds:

DPW - Sewer	Replace '09 Chevy 4WD PickUp Truck		\$	36,000.00				\$	36,000.00
	Replace '17 Dodge Ram 2500 PickUp Truck						\$	50,000.00	\$ 50,000.00
	Sewer Total	\$	-	\$ 36,000.00	\$	-	\$	-	\$ 50,000.00 \$ 86,000.00
	Enterprise Funds Total	\$	-	\$ 36,000.00	\$	-	\$	-	\$ 50,000.00 \$ 86,000.00
	Total Fleet by Year	\$	315,862.00	\$ 306,000.00	\$	315,700.00	\$	74,450.00	\$ 417,570.00 \$ 1,429,582.00

Investment Planning

The Town of Beloit invests money all of the time in all kinds of things like infrastructure, training and education, and public service fleet and equipment. These types of investments cut across all agencies and all levels and they all have a demonstrable long-term payoff.



In an effort to further increase revenue, which will allow for more of these types of investments, the Town of Beloit elected to embark on Investment Planning services with Ehlers Investment Partners. Using the Town financial policy as a guide, Ehlers presented the following three investment scenarios to the Town.

As the scenarios show below, earning potential ranges from \$20,250 per year net of fees, to \$68,076.25 per year net of fees. The Town's first goal is to increase the fund balance until we are able to maintain 3-6 months of expenditures on hand.

The Town Board has approved investing \$2 million to start with the opportunity to increase our investment amount in the future.



Town of Beloit, WI

Sample Portfolio

4/10/2018

Investment Security Type	Amount	YTM	Maturity
Peoples Bank (Certificate of Deposit)	\$ 100,000	1.8000%	10/16/2018
Dedham Savings Bank (Certificate of Deposit)	\$ 100,000	1.8500%	10/12/2018
Compass Bank (Certificate of Deposit)	\$ 125,000	2.1000%	4/18/2019
Merrick Bank (Certificate of Deposit)	\$ 125,000	2.0500%	4/16/2019
Morgan Stanley Private Bank (Certificate of Deposit)	\$ 150,000	2.3000%	10/15/2019
Customers Bank (Certificate of Deposit)	\$ 150,000	2.2500%	10/23/2019
Citibank (Certificate of Deposit)	\$ 175,000	2.5500%	4/13/2020
Goldman Sachs Bank (Certificate of Deposit)	\$ 175,000	2.6000%	4/20/2020
MB Financial Bank (Certificate of Deposit)	\$ 225,000	2.5500%	10/20/2020
Bank of Princeton (Certificate of Deposit)	\$ 225,000	2.5000%	10/27/2020
FFCB Note	\$ 225,000	2.6000%	4/9/2021
FHLB Note	\$ 225,000	2.7000%	10/26/2021
Total Invested:	\$ 2,000,000		
Average Weighted YTM (net of fees)		2.1981%	
Average Weighted Maturity		2.07 years	
Estimated Annual Earnings Net of Fees	\$ 43,962.50		

Federal Farm Credit Bank 2.60% coupon callable 4/9/19

Federal Home Loan Bank 2.70% coupon callable 10/26/18

Sewer Utility

A Sewer Rate Study was conducted in the Town of Beloit in 2014. The purpose of this study was to recommend rates that will collect adequate revenues for the sewer fund to fulfill all of its current and upcoming obligations. Specifically, revenues need to be adequate to recover operation and maintenance, depreciation and the Town's return on its investment in the sewer system. These current revenues, along with the reserves in the sewer fund, must be sufficient to provide cash flow to fund the sewer system's capital needs, especially the upgrades to the wastewater treatment plant that were completed in 2014 and 2015.

The results of the study indicated that a significant rate increase was warranted and required for funding the upgrades to the wastewater treatment plant; however the entire rate increase was not needed in 2014. It was recommended and approved by the Town Board that the rate increase be implemented in three steps across three years. This allowed the sewer utility to pay for the required upgrades to the wastewater treatment plant, remain in a healthy financial position and provide flexibility for funding future projects and replacement needs, while phasing the increase over several periods to avoid rate shock for our customers.

At the time the study was conducted, the Town's sewer rates were lower than most communities in Beloit's surrounding area. By following the three-step increase recommendation the Town's rates were increased to just above the average of surrounding communities by 2016 not considering any increases to sewer rates that other communities implemented in the interim.

It should be noted that in 2018, a new Sewer Rate Study will be conducted and this document will be updated accordingly.

Current Rates and Customer Information		
General rate and permit data for the utility is shown below:		
General Rate Data	Quarterly	Annually
Volumetric per 100 Cubic Feet		
Town of Beloit	\$ 6.12	\$ 24.48
Town of Rock	\$ 7.65	\$ 30.60
Last Rate Increase	1/1/2016	
Household Bill (1,300 Cubic Feet Usage)		
Town of Beloit	\$ 79.56	\$ 318.24
Town of Rock	\$ 99.45	\$ 397.80

2014-2019 Projected Cash Flow Analysis - 3 Step Rate Increase						
	2014	2015	2016	2017	2018	2019
Revenues						
Total Revenues from User Rates	\$ 1,023,669	\$ 1,206,420	\$ 1,389,172	\$ 1,389,172	\$ 1,389,172	\$ 1,389,172
Other Operating Revenues	\$ 31,994	\$ 31,994	\$ 31,994	\$ 31,994	\$ 31,994	\$ 31,994
Special Assessments	\$ 81,600	\$ 81,600	\$ 81,600	\$ 81,600	\$ 81,600	\$ -
Interest Income	\$ 35,100	\$ 35,100	\$ 35,100	\$ 35,100	\$ 35,100	\$ 20,000
Total Revenues	\$ 1,172,363	\$ 1,355,114	\$ 1,537,866	\$ 1,537,866	\$ 1,537,866	\$ 1,441,166
Expenses						
Total Operating & Maintenance Expenses	\$ 658,799	\$ 678,563	\$ 698,920	\$ 719,887	\$ 741,484	\$ 763,728
Debt Service						
Clean Water Fund Loan (Sludge Storage)	\$ 59,126	\$ 59,109	\$ 59,091	\$ 59,073	\$ 33,804	\$ 59,035
Sewer Bonds (Lilac Rd.)	\$ 69,389	\$ 66,991	\$ 64,613	\$ 62,195	\$ 59,798	\$ -
Sewer Re-Financing Bonds (Highcrest & Elaine Dr.)	\$ 27,450	\$ 26,950	\$ 31,400	\$ 30,800	\$ 25,250	\$ -
New Debt - Clean Water Fund Loan	\$ -	\$ 185,374	\$ 185,374	\$ 185,374	\$ 185,374	\$ 185,374
Capital Outlay	\$ 362,400	\$ 140,000	\$ 168,000	\$ 61,545	\$ 182,986	\$ 182,986
Total Expenses	\$ 1,177,164	\$ 1,156,987	\$ 1,207,398	\$ 1,118,875	\$ 1,228,697	\$ 1,191,124
Net Utility Cash Flow	\$ (4,801)	\$ 198,127	\$ 330,468	\$ 418,991	\$ 309,169	\$ 250,042
Overall Rate Increase	19.4%	17.9%	15.1%	0.0%	0.0%	0.0%
Reserves - Restricted and Unrestricted						
Beginning Balance	\$ 1,159,724	\$ 1,154,923	\$ 1,353,051	\$ 1,683,518	\$ 2,102,509	\$ 2,411,678
Net Utility Cash Flow	\$ (4,801)	\$ 198,127	\$ 330,468	\$ 418,991	\$ 309,169	\$ 250,041
Ending Balance	\$ 1,154,923	\$ 1,353,051	\$ 1,683,518	\$ 2,102,509	\$ 2,411,678	\$ 2,661,719
Recommended Minimum Reserve	\$ 564,563	\$ 773,852	\$ 802,884	\$ 826,978	\$ 821,049	\$ 788,682
Replacement Fund Requirements	\$ 243,899	\$ 265,787	\$ 287,675	\$ 309,564	\$ 331,452	\$ 353,340
Debt Coverage						
Operating Revenues	\$ 1,023,669	\$ 1,206,420	\$ 1,389,172	\$ 1,389,172	\$ 1,389,172	\$ 1,389,172
O&M Expenses	\$ 658,799	\$ 678,563	\$ 698,920	\$ 719,887	\$ 741,484	\$ 763,728
Net before Debt	\$ 364,870	\$ 527,858	\$ 690,252	\$ 669,285	\$ 647,688	\$ 625,443
Debt Coverage Ratio	234%	156%	203%	198%	213%	256%
Notes:						
Rates are calculated based on new rates being implemented on January 1st						
Assumes an inflationary increase for operating and maintenance expenses of 3% per year beginning in 2015						
Recommended Minimum Reserve is based on 3 months of O&M expenses and 1 year of revenue debt service in addition to minimum replacement fund requirements						

Comparative Utility Rates

Below is a chart that provides some comparative data illustrating where the Town of Beloit ranks on the basis of quarterly sewer charges per household.

Estimated Annual Sewer Utility Bill Comparison			
<u>2014 Utility Rate Survey</u>			
Rank	Municipality	Volumetric Rates	Annual Sewer Bill
10	Village of Clinton	\$12.40 per 1,000 gallons	\$766.21
9	City of Brodhead	\$7.12 per 1,000 gallons	\$575.45
8	City of Delavan	\$4.870 per CCF	\$462.68
7	Town of Beloit	\$6.120 per CCF	\$440.64
6	City of Edgerton	\$5.52 per 1,000 gallons	\$418.49
5	City of South Beloit	\$5.510 per CCF	\$396.72
4	City of Milton	\$6.01 per 1,000 gallons	\$392.07
3	City of Beloit	\$2.950 per CCF	\$288.00
2	City of Janesville	\$1.770 per CCF	\$269.04
1	Village of Rockton	\$1.900 per CCF	\$196.80
Average of other communities			\$417.72
Notes:			
Annual Sewer Bill based on annual usage of 72ccf (53,829 gallons)			

The Town will continue to monitor the sewer fund's performance on an annual basis. This analysis assumes no significant growth or loss in the utility's customer base over the next five years. However, should a large sewer user connect to or leave the system, the Town may want or need to adjust rates accordingly. As mentioned previously, a new Sewer Rate Study is set to be conducted in 2018.

Long-Range Financial Planning Goals

Three main goals help to guide the Town throughout the long-range financial planning process:

- Sustainability. Sustainability is the degree to which the Town can deliver services and meet its financial commitments without increasing its debt or tax burden relative to the economy in which it operates. To the extent that the level of debt or tax burden grows at a rate that exceeds the growth in the Town's assessment base, there is an increased risk to the Town's current spending levels (and by association, its services, service levels and ability to meet creditor obligations) cannot be maintained.
- Flexibility. Flexibility reflects the Town's ability to increase its available sources of funding (debt, taxes, or user fees) to meet increasing costs. Municipalities with relatively high flexibility have the potential to absorb cost increases without adversely impacting on affordability for local residents or other ratepayers. On the other hand, municipalities with low levels of flexibility have limited options with respect to generating new revenues, requiring an increased focus on expenditure reduction strategies.
- Vulnerability. Vulnerability represents the extent to which the Town is dependent on sources of revenues, predominantly grants from senior levels of government, over which it has no discretion or control. The determination of vulnerability considers (i) unconditional operating grants; (ii) conditional operating grants, and (iii) capital grant programs. Municipalities with relatively high indicators of vulnerability are at risk of expenditure reductions or taxation and user fee increases in the event that senior levels of funding are reduced. This is particularly relevant for municipalities that are vulnerable with respect to operating grants from senior levels of government.



Next Steps



The long-term financial plan represents a forecast of the Town's financial performance and position under a series of assumptions that are documented within the plan.

On an annual basis, the Town intends to update the long-term financial plan to reflect its actual performance based on the indicators noted above. The updated long-term financial plan will also be used to assist the Town in identifying and evaluating strategies that are intended to enhance financial sustainability and affordability. While contingent upon approval by the Town Board, these strategies could include alternative

revenue sources or expenditure reduction strategies. In addition, as major projects such as a new Town Hall proceed from planning to execution, the long-term financial plan will be updated to reflect the final costs associated with financing.

Ultimately, the approval of any strategies will need to be incorporated into the Town's budget process. The intent of the financial plan is to demonstrate the impact of these strategies. While the long-term financial plan does not address service level changes, it is important to recognize that service level ultimately drive the Town's costs. As the Town expands services or enhances service levels, its costs will increase accordingly. Similarly, the ability of the Town to significantly reduce costs will need to be accompanied by a corresponding decrease in service and/or service levels.

In addition, the long-term financial plan adheres to Town financial policies which are regularly reviewed and enhanced in order to:

- Align the Town's financial policies with the long-term financial plan
- Incorporate municipal best practices into the Town's financial policies
- Enhance the efficiency of the Town's financial processes and internal controls

Purpose

The Town Board is adopting Policy #1 (Capital Assets Capitalization Policy) to establish a consistent method for recording in the financial records of the Town of Beloit, the capitalization and depreciation of capital assets, consistent with current reporting requirements (GASB 34).

Asset Valuation

Long-term assets shall be recorded at historic cost or, if the cost is not readily determined, at estimated historic cost. Cost shall include applicable ancillary costs. All costs shall be documented, including methods & sources used to establish any estimated costs.

1. Purchased Assets- The recording of purchased assets shall be made on the basis of actual costs. Including all ancillary costs, based on vendor invoice or other supporting documentation.
2. Self-Constructed Assets- All direct costs (including labor) associated with the construction project shall be included in establishing a self-constructed asset valuation. If a department is unable to specifically identify all direct costs, an estimate of direct costs is acceptable, but must be supported by a reasonable methodology.
3. Donated Assets- Capital assets acquired by gift, donation or payment of a nominal sum not reflective of the asset's fair market value at the time of acquisition.
4. Dedicated Assets- Required installation by developer of public improvements, including but not limited to sanitary service mains, manholes, laterals, water mains, hydrants, valves, storm & sanitary sewers, streets, curb & gutter, street lights, street signs, sidewalks will be dedicated to the Town upon completion. Recording of infrastructure assets will be made on the basis of actual costs, including all ancillary costs, based on vendor invoice or other supporting documentation provided by the developer.
5. Shared Purchases- The recording of assets shared with other municipalities or entities shall be made based on the Town's share of actual costs, including all ancillary costs, based on vendor invoice or other supporting documentation.
6. Salvage Value- The recording of purchased assets which are expected to be sold at retirement should be recorded with the historical estimated value if more than \$5,000. If sale value is less than \$5,000, normal depreciation for the useful life will be used.

Ancillary Costs

Ancillary costs are to be included in the capitalization cost of a fixed asset. However, minor costs, not measurable at the time a fixed asset is recorded in the Town's fixed asset inventory system, may be expensed.

Ancillary Costs Include:

1. Buildings & Improvements- Professional fees of architects, attorneys, appraisers, financial advisors, engineers, etc.; damage claims; costs of fixtures permanently attached to a building or structure; insurance premiums, and related costs incurred during construction; and other expenditures necessary to place a building or structure into its intended state of operation.

2. Equipment- Transportation charges, installation costs, and any other normal and necessary expenditure required to place the asset into its intended state of operation.
3. Land- Legal and title fees, surveying fees, appraisal and negotiation fees, damage payments, site preparation costs, fees associated with annexation of lands and costs related to the demolition of unwanted structures.

Asset Classification:

Capital Assets Include- Items with useful lives greater than 5 years, land, land improvements, buildings, building improvements, construction work in progress, machinery & equipment, vehicles, infrastructure, easements, and works of art and historical treasures. A capital asset is to be reported and, with certain exceptions, depreciated in government-wide statements, assets that are not capitalized are expensed in the year of acquisition.

Infrastructure Assets- Long-lived assets that normally can be preserved for a significantly greater number of years than most capital assets and that are normally stationary in nature. Examples include roads, bridges, tunnels, drainage systems, water systems & dams. Infrastructure assets do not include buildings, drives, parking lots, or any other examples above that are incidental to property or property access.

Long-Term Assets Should be categorized into the following:

Furniture & Equipment	Office furniture, office, data processing & special department equipment
Vehicles, Operating Equipment	Vehicles, operating and mechanical equipment
Land	Land, Land Improvements
Buildings	Buildings, Building Improvements
Infrastructure	Streets, bridges, water & sewer systems, drainage systems, sidewalk, curb & gutter, etc.

Capitalization

All long-term assets meeting the following capitalization thresholds shall be reported in the Town’s financial report as an asset. Long-term asset depreciation will be based on the straight-line basis.

Category	Threshold
Furniture & Equipment	\$500
Vehicles & Operating Equipment	\$5,000
Land (capitalization only, no depreciation)	\$1
Land Improvements	\$5,000
Buildings	\$1

Building Improvements	\$5,000
Infrastructure	\$5,000
Construction in-progress (capitalization only, move to appropriate category when finished and put into service)	

To determine whether non-infrastructure items purchased in “bulk” should be capitalized or expensed, a cost per unit should be established at the time of purchase and the threshold rules applied. If it is likely that the units will be replaced in “bulk” at a future date rather than on an as-needed basis, then the threshold rules should be applied to total cost for all units. (Expense examples include: chairs, books, lights, signs) (Capitalization cost examples include: wall-dividers).

Depreciation/Amortization for Long-Term Assets:

All long-term assets (except for land, certain land improvements, and construction in-progress) identified in the capitalization policy, will be depreciated/amortized beginning in the month of purchase. Once the asset has been fully depreciated, the asset will be kept on the books until disposed of. When the asset is disposed of prior to the end of its useful life, the remaining “book” value will be written-off as depreciation unless it will materially affect the Town’s financial statement.

Capitalization/Expense Regarding Repairs/Maintenance:

Regarding the capitalization or expense of repairs/maintenance, the following should be considered:

Issue	Depreciation Method
Maintenance Cost (a)	Expense
Preservation Cost (b)	Capitalize
Additions	Capitalize
Improvements	Capitalize
Ancillary Costs (freight, etc.)	Capitalize

(a) These costs do not increase the useful lives of the infrastructure asset

(b) These costs do extend the lives of the assets

Retention

For each asset recorded, documentation such as invoices, contracts, deeds, purchase orders, appraisals and/or methods used to estimate actual costs shall be maintained by the Town Finance Director Treasurer. This documentation should be kept in a permanent file and maintained for one year after year-end of the year the asset was disposed in.

Asset Useful Life

To determine the useful life of an asset for depreciation purposes, the Town shall use the guidelines presented in the May 2002 Issue of the GAAFR Review. In addition to the above, the Town shall consider an asset present condition and how long it is expected to meet its service demands.

Physical Inventory

A physical inventory of all long-term assets should be taken annually by Department Heads or their assigned staff and reconciled to the records maintained by the Town Finance Director/Treasurer. Long-term assets \$500 or greater should be included in the annual physical inventory conducted.

This policy is to be reviewed annually and updated as necessary.

Policy Overview

The purpose of these investment guidelines is to formalize the framework of the Town's daily banking and investment activities. The guidelines are intended to be broad enough to allow the investment officials to function appropriately within the parameters of their responsibility and authority, yet specific enough to adequately safeguard the Town's accounts. The primary objective of this policy, in order of priority, are safety, liquidity and yield.

This policy shall apply to all cash investments of the Town, including all funds. Unless prohibited by law or contract, the Town may pool cash from several funds to maximize returns. Funds subject to additional federal, state and/or contractual laws and regulations will be invested according to those laws and regulations. Investment income will be allocated to the various funds based on their respective participation. Investment returns will generally accrue to the General Fund, except when legal and/or program requirements dictate otherwise.

For the purposes of financial statements, all cash and investments with an original maturity of three (3) months or less will be considered cash and cash equivalents. Investments will be reported at fair values, based on quoted market values.

Authority, Prudence and Ethics

Authority to manage the Town's investment program is derived from Wisconsin State Statutes and Town ordinance. The Finance Director/Treasurer and Administrator are the Town's Investment officials. The investment officials will establish internal control procedures over cash and investment accounts. All purchases and sales of investments will be authorized by the Finance Director/Treasurer and reviewed by the Administrator.

The standard of prudence to be used by the Town investment officials shall be the "prudent person" standard and shall be applied in the context of managing an overall portfolio. Investment officials acting in accordance with written procedures and this investment policy and exercising due diligence shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided deviations from expectations are reported in a timely fashion and the liquidity and the sale of securities are carried out in accordance with the terms of this policy.

The "prudent person" standard states that, "investments shall be made with judgement and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as probable income to be derived."

Employees involved in the investment process shall refrain from personal business activity that could conflict with proper execution of the investment program or which could impair their ability to make impartial investment decisions.

Safety

Safety and preservation of principal in the overall portfolio is the foremost investment objective. To ensure the safety of the Town's deposits and investments, Town Policy includes sections on what investments are suitable, on how balances are protected and provides guidelines for institutions to be used.

Credit Risk & Authorized Investments

Credit risk is the risk that the Town would lose money due to the default of a bond or securities issuer. The Town reduces its exposure to the risk by restricting allowed investments. The Town's investments are restricted in accordance with section 66.0603, Wis. Stats. The Town chooses to further limit its cash and investments to the following:

1. Checking & Savings Accounts;
2. Local Government Investment Pools either state administered or developed through joint powers statutes and other intergovernmental agreement legislation, such as the Local Government Investment Pool and the Wisconsin Investment Series Cooperative;
3. Certificates of Deposit (Fully FDIC insured for principle) and certificates of deposit purchased through the Certificate of Deposit Account Registry Services(CDARS);
4. Money Market Mutual Funds regulated by the Securities and Exchange Commission and who portfolios consist of only dollar-denominated securities;
5. Bonds and securities issued by the federal government or a commission, board or other instrumentality of the federal government;
6. Bonds of any County, City, Drainage District, Technical College, Village, Town or School District of the State of Wisconsin;
7. Commercial paper if rated in the highest tier (e.g. A-1, P-1, AAA) by a nationally recognized rating agency; and
8. Overnight repurchase agreements with a public depository as defined in Section 34.01(5), Wis. Stats., provided that the agreement is secured by bonds or securities issued or guaranteed as to principle and interest by the federal government and held by a third-party custodian. The Town shall be informed of the specific collateral and investments in the repurchase agreements and the agreement shall be collateralized at 100% of the value of the Town's investment.

Prohibited Investments- Town funds will not be invested in derivative type investments such as collateralized mortgage obligations, strips, floaters, etc. Certain types of such investments may qualify under Wisconsin State Statute, but are not deemed appropriate for use by the Town.

The Town will engage in diversification of investments (type, length of maturity, and institution) to the extent practicable considering yield, collateralization, investment costs and available bidders.

Concentration of Credit Risk

Concentration of credit risk is the risk that losses become substantial due to the magnitude of the Town's investment in a single issuer. The Town shall reduce this risk by limiting investments in a single issuer by 15% of its total cash and investment balances.

Custodial Credit Risk

Custodial credit risk is the risk of default by the holding institution, i.e. the bank holding cash or investments. The Town shall reduce this risk by ensuring substantially all funds are either insured, collateralized or registered to the Town. The terms “substantially all funds” recognizes that there are times when minimal amounts may not be protected in this manner, such as with cash on hand or in cases where the market value exceeds the face value of an investment. The risk is also reduced through the Town’s selection of authorized financial institutions.

1. Town deposits will be protected through insurance:
 - a. The Federal Deposit Insurance Corporation (FDIC) currently protects deposits up to \$250,000 for checking and \$250,000 for savings accounts;
 - b. The Wisconsin State Deposit Guarantee Fund protects public deposits up to \$400,000 after FDIC coverage, for any one public depositor in any individual public depository.
2. Town deposits in excess of insured levels will be protected through collateral:
 - a. With a market valued of at least 100% of the uninsured balances;
 - b. Consisting of bonds or securities issued by the federal government, its agencies or instrumentalities; and
 - c. Held by an independent third-party custodian with whom the Town has a current custodial arrangement.

Collateral agreements are to prohibit the release of pledged assets without the Town’s authorization, however substitution of like collateral (value and type) is acceptable.

The market value increases on FDIC insured certificates of deposit are exempt from this requirement.

3. Proof of Town ownership of securities will be protected by:
 - a. Securities will be registered through the Direct Registration System in the Town’s Name.
 - b. Securities Investor Protection Corporation (SIPC) protects investors by obtaining the securities registered in the Town’s name in the event of failed brokerage firm. After securities have been obtained by the SIPC, other balances are covered through SIPC protection up to \$500,000 maximum per customer, including \$250,000 in cash balances.
 - c. Trades of marketable securities will be executed by delivery vs. payment (DVP) to ensure that securities are deposited in an eligible financial institution prior to the release of funds.

Authorized Financial Institutions

The Finance Director/Treasurer shall select and maintain a list of financial institutions to be utilized by the Town. The list of qualified institutions shall be presented to the Town Board for approval on a periodic basis. As required under Wisconsin State Statutes, the Town will approve institutions as public depositories separately through a Town Board Resolution.

For a financial institution to be considered for use by the Town, they must meet the following criteria:

1. Provide proof of state registration;
2. Complete a signed certificate of having read, understood and agree to comply with the Town of Beloit Investment Policy;
3. Provide evidence of participation in FDIC and/or SIPC programs, such as FDIC Certificate Number and specific name of registration;
4. Meet the FDIC's minimum threshold to be considered a well-capitalized bank:
 - a. Total risk-based capital ratio of 10% or higher;
 - b. Has a tier 1 risk-based capital ratio of 6% or greater; and
 - c. Has a leverage ratio of 5% or higher.
5. Broker/dealers will provide their most recent Broker check report from the Financial Industry Regulatory Authority, Inc. (FINRA) along with all Central Registration Depository (CRD) numbers; and
6. Safekeeping institutions will also provide copy of their report on internal controls as applicable to custody procedures.

The Town investment policy requires items 3-6 be reviewed by the Finance Director/Treasurer annually for financial institutions doing more than \$500,000 in investment purchases, deposits or safekeeping balances. Items 3-6 will be reviewed by the Finance Director/Treasurer at a minimum of every three (3) years for all other authorized institution.

The Town may enter a contract with one or more investment advisors only upon approval by the Town Administrator and/or the Town Board. If used, the selection of an investment advisor will be based on the utilization of request for proposal, interviews and reference reviews.

Liquidity

The investment officials shall ensure that the Town has sufficient in usable form to be able to meet its ongoing business obligations. This is accomplished by structuring the portfolio so that the securities mature concurrent with cash needs to meet anticipated demands (static liquidity). Furthermore, since all possible cash demands cannot be anticipated, the portfolio shall consist largely of securities with active secondary or resale markets (dynamic liquidity).

Interest Rate Risk

This is the risk that changes in the market interest rates will negatively affect the fair value of an investment. Generally, the fair value of longer maturity investments is more sensitive to changes in the market interest rate. The Town shall mitigate this risk by:

1. Structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity;
2. Limiting the maturities of all investments when purchased to less than five (5) years; and
3. Laddering investments to meet cash flow needs.

Yield

The investment portfolio shall be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, considering the investment risk constraints and liquidity needs. Return on investment is of secondary importance compared to safety and liquidity. The core of the Town's investment strategy is limited to relatively low risk securities in anticipation of earning a fair return relative to the risk being assumed. Securities shall generally be held until maturity with the following exceptions:

1. A security with declining credit may be sold early to minimize loss of principle;
2. A security sale would improve the quality, yield or target duration in the portfolio; or
3. Liquidity needs of the portfolio require that the security be sold.

Policy Considerations

The Finance Director/Treasurer shall provide a cash and investment report to the Town Administrator at least quarterly. The report shall summarize investments held and transactions made. It shall also discuss the current portfolio in terms of maturity, rates of return, market values and other features.

All bank and investment accounts will be reconciled monthly. All investments will be marked to market monthly and unrealized gains and/or losses will be included with the investment income and return calculation.

Any investments currently held that do not meet the guidelines of this policy when it is adopted shall be reinvested only as provided for in this policy.

This investment policy will be reviewed every three (3) years by the Town Administrator or sooner at the discretion of the Town Board.

Purpose

The purpose of this policy is to guide the initiation, deliberation, construction and administration of Special Assessment Projects in the Town of Beloit. It is the intent of the Town of Beloit to be aggressive in the maintenance of public facilities and services to protect the public's health and safety, sustain and strengthen property values, provide adequate services to all of its property owners, residents and businesses, and to protect citizen investment in their property. This policy shall be uniformly administered to establish consistency in the treatment of property owners in and between projects as well as over time.

Authority

This policy is established under the authority granted the Town of Beloit by Section 66.07, Wis. Stats., the Town of Beloit Code of Ordinance, and other legislative act and common law.

Scope

This policy pertains to all public improvement projects that are to be funded, at least in part, by Special Assessments levied against property in the Town of Beloit. These projects may include the construction and maintenance of public streets, street lighting, sidewalks, public water supply facilities, sanitary sewers, stormwater management systems, and other improvements as authorized by law.

Interpretation

The Town Board reserves the right to interpret this policy in the best interests of the community and reject a petition for public improvement by way of any sound reason, including, but not limited to, budgetary constraints. Furthermore, the Board may impose such terms and conditions upon any improvement project as may be in the public's best interest and that is not prohibited by law.

Definitions

- a. **Benefit.** A measurable assistance, gain or improvement received by a property as a result of a public construction or maintenance project.
- b. **Improvement Standard.** An established criterion used by the Town of Beloit to guide the design and construction of public facilities, such as a best management practice, design template, written specifications or similar example.
- c. **Net Annual Financing Cost.** The interest rate being charged to the Town, plus the annualized costs associated with acquiring and administering the projects finances.
- d. **Public Improvement.** Any facility, structure, service or edifice provided, constructed, or maintained under the authority of the Town Board for use by the community, its residents, businesses and property owners.

- e. Special Assessment. A dollar amount placed as a lien against a property as payment, in part or in full, for public improvements made benefiting the property.
- f. Exempt Property. Property on which a municipality may not by law levy a lien in order to collect a special assessment.
- g. Low Income. Defined as in Title 42, Chapter 69, Sec. 5302(20) of the U.S. Code and determined by the U.S. Department of Housing and Urban Development for Rock County. Generally, low income families are those with an annual income less than 50% of the community median.
- h. Moderate Income. Defined as in Title 42, Chapter 69, Sec. 5302(20) of the U.S. Code and determined by the U.S. Department of Housing and Urban Development for Rock County. Generally, moderate income families are those with an annual income between 50% and 80% of the community median.

Process and Procedure

The process of initiating and ordering a public improvement project to be funded through special assessments follows six (6) methodical steps in order to meet the requirements of state law and to ensure each project receives fair and equal consideration by the Town Board.

- a. Requesting Consideration of a Public Improvement Project. Public Improvement projects may be initiated by either a simple motion by the Town Board or by petition of one or more property owners to be benefited by the proposed improvement. Petitions for public improvements must be presented to the Town Board during the Citizen Comment portion of a Town Board meeting after having been discussed with the Director of Public Works. There is no minimum number of signatures required to submit a petition.
- b. Preliminary Review. The Town Board shall consider the merits of the requested project(s). Given the costs associated with the preparation of the Feasibility Report and Preliminary Assessment Role, the Town Board will only move a project forward if there is a high likelihood of it being completed. If, in the Board's judgement, the proposed project is within the scope of the Town's authority and is creditable, the Board may adopt a resolution prepared in conformance with Sec. 66.0703(4), Wis. Stats. , declaring its intention to exercise its authority for a stated municipal purpose and ordering the appropriate official to prepare a Feasibility Report and Preliminary Assessment Role for the proposed project.
- c. Feasibility Report. The Town Engineer or other designated official(s) shall, upon order of the Town Board, prepare a Feasibility Report, cost estimate and Preliminary Special Assessment Role in accordance with Section 66.0703, Wis. Stats., exercising all appropriate care and alacrity, and file the reports with the Town Clerk.
- d. Public Hearing. Upon receipt of the Feasibility Report and Preliminary Special Assessment Role the Town Clerk shall schedule a public hearing before the Town Board on the proposed project, providing notice to the public of such hearing in accordance with Section 66.0701(7), Wis. Stats. Public hearings on proposed Special Assessment Projects shall generally be conducted as follows:
 - i. The Town Chairperson shall convene the hearing and describe the process to be followed to conduct the hearing;
 - ii. The Town Clerk shall exhibit proof that the required notification requirements for the hearing have been met;
 - iii. The Town Engineer or other designated official(s) shall present the proposed project to the Board, describing the project's goals, the area to be served, what properties are to be benefited, the general layout of the improvement, possible time

- schedules, conditions that may affect the project, the estimated project cost, the area proposed for assessment and the initial estimate of the assessments that may be levied. The Engineer shall advise the Town Board on the feasibility of the project;
- iv. Time shall be provided for the public to speak to ask the Town Engineer questions regarding the proposed project and its feasibility;
 - v. The Town Clerk or other designated official(s) shall present the proposed assessment role to the Town Board;
 - vi. Time shall be provided for the public to question the Town Clerk or other designated official(s) regarding the initial assessment role;
 - vii. The Chairperson shall open the floor to comments from the public regarding the proposed project and assessment role. Individuals wishing to be heard on the subjects shall be given a reasonable period in which to address the Board;
 - viii. The Chairperson shall close the public hearing.
- e. Board Deliberation. Following the public hearing, the Board will consider the necessity, feasibility and practicality of the proposed public improvement project with the intent of first, either declining or ordering the project; the second, if necessary, approving the special assessment role. The Town Board may direct the Town Engineer or other appropriate official(s) to amend or modify the public improvement plans and/or assessment role as they deem appropriate and in accordance with this policy and law.
- i. The Town Board may recess deliberation on any improvement project from time to time as it deems prudent to gather information and provide due diligence in its decision making.
- f. Ordering a Public Improvement and Levying a Special Assessment. The Town Board may order a public improvement by adopting a resolution specifying the work to be performed, the area and properties to be benefited, the funding source(s) for the project, and the approximate time frame for the project. A copy of the resolution shall be officially published and noticed.
- i. The Board may levy a special assessment as a lien against benefited property by adopting a resolution in compliance with Section 66.0715, Wis. Stats.
 - ii. In such cases where, after a Special Assessment has been levied for a public improvement project, the Board determines that it is necessary to increase the amount levied against any or all of the properties involved, the Board shall first conduct a public hearing in accordance with Section 8.06(6)(d) of this policy, and provide public notice of the hearing and reassessment under the same terms and conditions as the original assessment. Reductions in Special Assessments may be made by the Board at any regular meeting by resolution, and without the need for a public hearing or public notification.

Board Deliberation

Following the public hearing, the Board will consider the necessity, feasibility and practicality of the proposed public improvement project with the intent of first, either declining or ordering the project; the second, if necessary, approving the special assessment role. The Town Board may direct the Town Engineer or other appropriate official(s) to amend or modify the public improvement plans and/or assessment role as they deem appropriate and in accordance with this policy and law.

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Ordering a Public Improvement and Levying a Special Assessment

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Determining Project Necessity

As a guide to determine the necessity of a public improvement project, the Board will consider the criteria listed below. Generally, meeting one or more of the criteria listed is sufficient to consider a project necessary:

- a. The project is needed to provide for the full and unhindered use of a property in accordance with the Town's Master Plan and Zoning Ordinance;
- b. The project is unavoidable due to general development pattern of the area;
- c. The project is crucial to implementation or completion of a public service system or critical environmental resource;
- d. The project is required by regulation or other obligation;
- e. The project is required to avoid or limit predictable and substantial damage to private or public property from acts of nature.

Determining Project Feasibility

As a guide to determine the feasibility of a public improvement project, the Board will consider the criteria listed below. Generally, all of the criteria must be satisfied for the project to be considered feasible.

- a. The project can be successfully designed and constructed utilizing generally accepted engineering practices;
- b. Existing public facilities have adequate capacity to serve the systems expansion or improvement;
- c. There is at least one contractor available with the skills, experience, equipment and access to materials required to successfully construct the project as designed;
- d. There is no regulatory hindrance to construction of the project;

- e. The expected project costs are not excessive when compared to similar projects constructed within the region.

Determining Project Practicality

As a guide to determine the practicality of a public improvement project, the Board will consider the criteria listed below. Generally, all of the criteria listed must be satisfied for a project to be considered practical.

- a. The total amount of assessments levied on all residential properties to be benefited, to include those from the proposed project and all existing previous assessments shall not exceed ten percent (10%) of the combined assessed value of all the properties to be benefited;
- b. The project does not require a financial contribution from the Town, or if it does, the financial contribution is within the amounts budgeted for such purposes by the Town;
- c. The Town has the ability both by law and by generally accepted financial practices, to finance the project, if so required.

Principles to be Used in Determining whether or not to Order a Public Improvement Project

In considering whether or not to approve a public improvement project, the Board will give weight to the following:

- a. The Town of Beloit recognizes its obligation to provide each and every property in the community with adequate public services to protect the health and safety, sustain and improve property values and promote a high quality of life in accordance with the development standards of its zoning districts;
- b. The Town recognizes that property development and land use decisions create the need for public services; the cost of these services should be borne by those making, or benefiting from these decisions;
- c. We are a community with both an urban and rural character. The types of service required by these diverse types of development are not the same, and it is the Town's intent to only allow urban forms and densities of development when and where adequate public services are available to support them;
- d. It is important for the community to develop and maintain public systems that are cost effective, reliable and sustainable over time.

General Town Policies Relating to Special Assessments

- a. Wherever a public improvement project can be shown to provide a measurable benefit to any private property, and the Town is authorized by law to do so, a Special Assessment shall be levied on the benefiting property to pay for the improvement.
- b. The amount of the Special Assessment levied on each property shall reflect, to the level of accuracy reasonably possible, either the fair-share cost of the constructed improvements or the value of the benefit(s) received by the property from the improvements.
- c. The total assessment levied for each public improvement project shall include the costs associated with the design, construction, financing and administration of the project.
- d. Assessment costs may be equitably allocated to properties utilizing any methodology allowed by law, based on the specifics of the situation. Generally, assessments will be made as follows:

- i. Improvements to street right-of-way, sewer and water service, and other linear improvements shall be assessed on a front-foot basis.
 - ii. Drainage improvements shall be assessed based on the area contributing to the stormwater flow.
 - iii. Assessment for the extension of services to undeveloped property for the purpose of development shall be determined on a case by case basis.
- e. The Town will pay the fair-share assessment levied on Town-owned property, and property that is exempt from assessment by law.
- f. In the case of corner lots being assessed for public sanitary sewer and public water improvements using the front-foot method, only one side of intersecting streets shall be assessed for the improvement. The side assessed shall be either the long side, or, if the improvements are made under separate projects, that side which first receives the improvement.
- g. In no case shall the total assessment levied as part of an improvement project exceed the cost of the improvement and related expenses.
- h. The Town Finance Director/Treasurer shall determine the interest rate to be applied to special assessments by adding ½ of 1% to the net actual annual cost of financing the special assessment over the life of the assessment. In such cases where the Town is financing the special assessment from Town funds and without the use of private financing, the Town Finance Director/Treasurer shall determine the interest rate by adding 1% to the U.S. Federal Reserve rate charged to member banks.
- i. In such case where the Town is providing financing by special assessment for land development and redevelopment projects, the interest rate to be applied on the special assessment shall be established by the Town Board on a project by project basis.
- j. The term of the assessment shall not exceed the estimated useful life of the improvement, and shall be based on considerations of public preference, the dollar amount of the assessments being made, interest rates, impact on the Town's finances and overall debt level. In most cases, the assessment shall not exceed 15 years in duration.

Deferring Assessments

The Town of Beloit will defer the payment of special assessments for owner occupied homes in situations where the owners have incomes below the federal standards for low and moderate incomes in the Beloit area.

- a. Applicants for deferment of assessments must own and reside in the property subject to the assessment and demonstrate to the Town Finance Director/Treasurer qualification for the deferment by presenting a copy of their most recent federal tax return prior to the levying of the assessment, and annually thereafter. A property owner must qualify for this deferment at the time the Board levies the initial assessment, and annually thereafter, in order to be eligible for the deferment.
 - i. Where a property owned by two (2) or more persons, each owner must meet the eligibility requirements for the program. Property owned by any corporation, partnership, or trust is ineligible for assessment deferment.
- b. Qualified low-income persons shall have their assessment deferred for a period of seven (7) years from the date first payment is due.

- c. Qualified moderate-income persons shall have their assessment deferred for a period of five (5) years from the date the first installment payment is due.
- d. No interest shall accrue on assessments levied against a property during the period of deferment. Interest shall accrue on the unpaid balance of an assessment from the date upon which the property owner(s) cease being eligible for the deferment.
- e. Deferment shall cease upon the expiration of the deferment period, at the time a property owner no longer meets the income criteria for the program, or upon the date which the ownership of the property is transferred to any other person(s), partnership, corporation, trust or any other entity by means whatsoever, whichever comes first.
 - i. Deferment shall expire if a property owner fails to provide the Town a copy of a federal tax return by May 1st of each year demonstrating program eligibility.
- f. All deferred assessments shall be placed on stand-by special assessment and a Lis Pendens filed in the Rock County Register of Deeds setting forth the amount of the lien against the property by reason of stand-by charge and the conditions of payment.

Financing of Improvements

- a. The Town shall utilize the financing source for each public improvement project that provides for the lowest net annualized financing cost.
- b. The amount financed shall include sufficient funds to reimburse the Town for all out-of-pocket and administrative expenses incurred in the design, administration, financing and construction of the project.
- c. The Town may finance any improvement project utilizing its public funds.

Reoccurring Improvements

The Town of Beloit shall not levy a Special Assessment against any property for a public improvement that has been previously made and assessed against the property until the period shown below has elapsed:

Bituminous Street, Sidewalk	Ten (10) Years
Concrete Street, Sidewalk, Curb and Gutter	Fifteen (15) Years
Municipal Water Main	Thirty (30) Years
Municipal Sanitary Sewer Main	Thirty (30) Years
Drainage Improvement (except Curb and Gutter)	Five (5) Years

- a. As an exemption to this policy, the Town may special assess the entire cost of street repair and replacement made necessary by any other public improvement, such as sanitary sewer and public water supply, made after the street has been constructed, regardless of the time that has passed since the street was last constructed or repaired.