

CITY OF FRANKLIN
COMMON COUNCIL MEETING
FRANKLIN CITY HALL – COMMON COUNCIL CHAMBERS
9229 WEST LOOMIS ROAD, FRANKLIN, WISCONSIN
AGENDA*
TUESDAY, MAY 15, 2018 AT 6:30 P.M.

- A. Call to Order and Roll Call.
- B.
 - 1. Citizen Comment Period.
 - 2. Mayoral Announcements:
 - (a) Appointment of Ms. Calli Berg as Director of Economic Development for the City of Franklin.
 - (b) Public Service Commission of Wisconsin May 10, 2018 Meeting re: Application of the City of Oak Creek, as a Water Public Utility, for Authority to Construct Pumping and Water Storage Improvements and New Disinfection Facilities, in the City of Oak Creek, Milwaukee County, Wisconsin, PSC Docket No. 4310-CW-109.
 - (c) Recognition of the 2018 Water Utility Safety Award by the Wisconsin Rural Water Association (WRWA).
- C. Approval of Minutes:
Regular Common Council Meeting of May 1, 2018.
- D. Hearings.
- E. Organizational Business:
Mayoral Appointment - Kelamar Svoboda, 4928 W. Tumblecreek Drive, Ald. Dist. 3 to the Board of Review for an unexpired 3-year term expiring 4/30/20.
- F. Letters and Petitions:
Milwaukee Area Domestic Animal Control Commission (MADACC)-Weekenders Club Program.
- G. Reports and Recommendations:
 - 1. Consent Agenda:
 - (a) Request to Increase One Extended-Term, Part-Time Maintenance Custodian Position from a Regular Schedule of 19 Hours/Week to 20 Hours/Week.
 - (b) Donation from Southwest Milwaukee Optimist Club in the Amount of \$200 to be Used Toward the Purchase of Bicycle Lights for the City of Franklin Bike Rodeo.
 - (c) The 22nd Annual Franklin Students Tell the Truth About Tobacco Poster Contest Winners.
 - 2. Presentation of the 2017 Annual Comprehensive Financial Report for the City of Franklin.

3. Concept Review for a Proposed Mixed Use Development Consisting of Single-Family Residential, Multi-Family Residential, Commercial, Industrial, Conservancy and Open Space Uses (Approximately 164 Acres Generally Located North and South of W. Loomis Road, South of W. Ryan Road, West of S. 112th Street, East of S. 124th Street and North of W. Oakwood Road) (Mills Hotel Wyoming, LLC, Applicant).
4. A Resolution Authorizing Certain Officials to Accept a Conservation Easement for and as Part of the Review and Approval of a Special Use and Certified Survey Map for a Multi-Family Residential Development Use Upon Property Located at 2855-3034 W. Statesman Way (Formerly 7333 S. 27th Street) (Zilber Ltd., Applicant).
5. A Resolution for Acceptance of a Retention Pond and Drainage Access Easement, a Temporary Access Easement and a Water Main Easement for TI Investors of Franklin Located at 2855-3034 W. Statesman Way (Formerly 7333 S. 27th Street) (Zilber Ltd., Applicant).
6. An Ordinance to Amend Ordinance 2017-2301, an Ordinance Adopting the 2018 Annual Budgets for Capital Improvement Fund for the City of Franklin for Fiscal Year 2018 to Provide Additional Appropriations for a Storm Sewer Project in Rawson Homes.
7. Update for Rawson Homes Drainage and Water Main Relay Project.
8. March 2018 Monthly Financial Report.
9. Approval of the Job Description for Director of Health and Human Services.
10. Approval of a Revised Anti-Harassment Policy and Related Applications Within the Employee Handbook.
11. Notice of Claim From Greg Modlinski for Damages Sustained to his Garage Service Door During a Welfare Check Conducted by the Franklin Police Department. The Common Council may Enter Closed Session Pursuant to Wis. Stats. §19.85(1)(e) and (g), Stats., to Consider a Notice of Claim from Greg Modlinski for Damages Sustained to his Garage Service Door During a Welfare Check Conducted by the Franklin Police Department on February 12, 2018, and may Reenter Open Session at the Same Place Thereafter to Act on Such Matters Discussed Therein as it Deems Appropriate.
12. Discussion on Director of Economic Development Position Candidates. The Common Council may Enter Closed Session Pursuant to Wis. Stats. §19.85(1)(c) and (f), to Consider Employment, Promotion, Compensation or Performance Evaluation Data of a Public Employee Over Which the Common Council has Jurisdiction or Exercises Responsibility and to Consider Financial, Social or Personal Histories of Specific Persons Which, if Discussed in Public, Would be Likely to Have a Substantial Adverse Effect Upon the Reputation of Any Person Referred to in Such Histories and may Reenter Open Session at the Same Place Thereafter to Act on Such Matters Discussed There in as it Deems Appropriate.

H. Licenses and Permits.

Miscellaneous Licenses from License Committee Meetings of:

1. May 4, 2018.
2. May 15, 2018.

- I. Bills.
Request for Approval of Vouchers and Payroll.
- J. Adjournment.

*Supporting documentation and details of these agenda items are available at City Hall during normal business hours.

[Note: Upon reasonable notice, efforts will be made to accommodate the needs of disabled individuals through appropriate aids and services. For additional information, contact the City Clerk's office at (414) 425-7500.]

REMINDERS:

May 17	Plan Commission Meeting	7:00 p.m.
May 28	Memorial Day Observed	City Hall Closed
June 5	Common Council Meeting	6:30 p.m.
June 7	Plan Commission Meeting	7:00 p.m.
June 19	Common Council Meeting	6:30 p.m.
June 21	Plan Commission Meeting	7:00 p.m.

Blank Page

B.2.(a)

From: Steve Olson <steve-olson@wi.rr.com>
Sent: Friday, May 11, 2018 10:28 AM
To: Alderman; Department Heads
Subject: New Economic Development Director - Calli Berg

I'm pleased to announce my appointment of Ms. Calli Berg as our new Economic Development Director. Her first day at the city will be June 11.

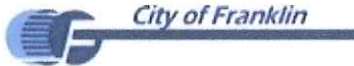
Please join me in welcoming Calli at an informal meet and greet reception in the ~~Hearing Room~~ Tuesday evening between 5:45 and 6:15. We'll have light refreshments. *COUNCIL CHAMBERS*

I'll introduce Calli at the Common Council meeting following.

Thanks.

Steve

Steve Olson
Mayor
City of Franklin
9229 W. Loomis Rd.
Franklin, Wi. 53132
O: 414-427-7529



BADKE NOTICE OF POTENTIAL ASSEMBLY OF FRANKLIN COMMON COUNCIL

On May 15, 2018, at 5:45 p.m., the Franklin Common Council may assemble at the Franklin City Hall Common Council Chambers, 9229 W. Loomis Road, Franklin, Wisconsin, for the purpose of public introduction of Ms. Calli Berg as Director of Economic Development for the City of Franklin. As such:

Notice is given that a majority of the Common Council may assemble to gather information about an item over which they have decision-making responsibility. This may constitute a meeting of the Common Council per *State ex rel. Badke v. Greendale Village Board*, even though the Common Council will not take formal action at this assembly.

Dated: May 11, 2018
Sandra L. Wesolowski, City Clerk

CALLI BERG, CECD, EDFP

269-206-1735 • calliberg@comcast.net • www.linkedin.com/in/calliberg

CAREER OVERVIEW

Owner and President, BDM Services (09.08–Present) Provide economic and community development consulting to municipalities; designing and implementing retention, expansion, and attraction programs, grant administration, community marketing, and entrepreneurial development. Responsibilities and services include chamber administration, site database management, financial packaging, revolving loan fund oversight, incentive coordination, operations planning, event production, fund raising, and gap project management. Notable clients include The Greater Bridgman Area Chamber of Commerce and Growth Alliance (03.14–Present), City of Sturgis, Michigan (03.11 – 09.13), and Watervliet Downtown Development Authority (03.09 – 03.10).

Business Development Manager, Michigan Economic Development Corporation (06.06–09.08) Managed retention and expansion program for specified customer book of business in target markets to assist growing companies with efforts to increase net profits, and create jobs and investment, and to address macro and internal challenges companies face that prevent them from growing. Responsibilities included scheduling visits with hundreds of company CEO's each year, coordinating efforts with the economic development team, tracking key indicators over time for trend analysis, managing incentive, financial, and technical assistance programs and processes offered by multiple State and Federal Partner agencies and local stakeholders and service providers.

Director, Coloma-Watervliet Area Economic Development Corporation (12.03–06.06) Managed municipally-funded non-profit regional organization representing six municipalities. In addition to traditional retention/expansion/attraction economic development, responsibilities included assisting municipalities with their planning; marketing; and public service, safety, and recreational initiatives. Reported to Board of Directors and Municipal Leaders, supervised one employee, managed daily operations and long-term planning for 501C3 organization, acted as public representative for regional entity in networking, educational, and collaborative initiatives with other local, regional, and state partners and stakeholders.

Deputy Director, Berrien County Economic Development (01.99–12.03) Assisted Executive Director with all economic development retention/expansion/attraction efforts, communications with County Board and management of Economic Development Corporation, Loan Administration, and Brownfield Redevelopment Boards, and daily internal departmental management and employee supervision in Director's absence. Administered two revolving loan funds, wrote and administered grants, attended retention calls and managed retention program, responded to prospects, maintained site database, and oversaw purchasing, journal entries, and budget adjustments throughout fiscal year.

Technical Trainer/Writer/Instructor (01.89–01.99) Researched, gathered, and organized technical information, identifying subject matter experts or becoming one, to educate target audience by providing written documentation such as manuals and kit instructions; and by offering customized training classes, one-on-one training support, or independent training exercises.

EDUCATION / CERTIFICATIONS / HONORS

Bachelors of Business Administration-Marketing University of Wisconsin - Milwaukee
Certified Economic Developer (CECD) (2003) International Economic Development Council
Economic Development Finance Professional (EDFP) (2001) National Development Council
Certified CDBG Grant Administrator (2014) Michigan Economic Development Corporation
Business Leaders Under 40 (2003) West Michigan Business Direct Weekly
President's Award for Outstanding Achievement (2007) Michigan Economic Developers Association

CALLIBERG, CECD, EDFP

269-206-1735 • calliberg@comcast.net • www.linkedin.com/in/calliberg

ECONOMIC DEVELOPMENT EXPERIENCE

- Organized and implemented retention programs; met with hundreds of CEO's and decision-makers
- Built and maintained site databases of buildings and land for prospect requests, generating site portfolios with marketing sheets, demographics, GIS information, maps and photos, and costing structures
- Prepare prospect proposals and incentive packages for companies considering relocation, provide site tours; generate marketing campaigns and tools; built community profiles
- Proficient writer and manager of Tax Abatements for real and personal property investments, securing abatements for dozens of companies representing total investments of over \$20M and the creation or retention of over 2,000 jobs
- Utilized tax increment financing, revolving loan funds, federal grants, brownfield programs, tax credit tools and other local, state, and federal incentives
- Build and maintain relationships with new and growing companies to gather information, analyze business climate, and provide technical support and resources
- Assisted municipalities with marketing, planning, growth, and attraction issues
- Produced and Implemented regional recreation plan

FINANCIAL EXPERIENCE

- Set and track budgets, manage purchasing process, oversee financial audits, payroll, and tax statements
- Use QuickBooks to track sources/uses of funds, generate balance sheets and income statements
- Written and administered grants from a broad range of government and foundation grant programs
- Administered revolving loan funds -tracked and balanced over \$1.5M in outstanding principal
- Reviewed and analyzed pro formas, cash flow statements, balance sheets and income statements
- Performed ratio and trend analysis
- Generated and tracked amortizations; managed loan portfolios, restructured loans, assembled loan documents
- Coordinated financial packaging with financial institutions and state and federal agencies
- Secured 501c3 status

MARKETING / COMMUNICATIONS / PUBLIC RELATIONS EXPERIENCE

- Implemented 'Supertour 360' virtual business and community marketing map
- Generate annual visitor guides including selling ads and writing editorial content
- Market and produce large-scale (2,000+ guests) outdoor festivals on Lake Michigan
- Created, planned, and executed annual meetings, fundraisers, round tables, ribbon cuttings, golf outings, and unique events such as a Business Resource Fair, Best Practices in Technology Tour, and Community Benchmarking Tour
- Led visioning and brainstorming sessions to gather information
- Designed and tabulated surveys, needs assessments, retention forms, and other data collection tools, proficient with eSurveysPro and Survey Monkey
- Hosted Radio Newsmagazine providing advice on small business issues
- Proficient press release and news article writer
- Adept public speaker

CALLIBERG, CECD, EDFP

269-206-1735 • calliberg@comcast.net • www.linkedin.com/in/calliberg

MANAGEMENT EXPERIENCE

- Manage Chamber of Commerce Administration; proficient user of ChamberMaster software
- Supervised employees, led internal and cross-organizational teams, managed community and governmental projects across municipal boundaries
- Administer boards of directors, guided strategic planning processes, implemented organizational direction
- Collaborate with cross-functional public sector teams on behalf of private companies
- Prepared resolutions, decision papers, and presented complex projects to Boards of Directors
- Performed community SWOT analysis to formulate asset-based community development strategies
- Successively increased Berrien County United Way employee giving over four years as Campaign coordinator
- Write, review, and maintain business plans, proposals, bylaws, mission & vision statements, policies
- Devise and develop project structures, manage ongoing projects and initiatives, such as Building Permits data collection, site database management, retention efforts, marketing initiatives, and financial administration
- Led all-volunteer business team to create an entrepreneurial community – identifying and targeting entrepreneurs, structuring incubator services and performing feasibility tasks to determine need for incubator space
- Oversaw completion of five-community Regional Recreation Plan
- Implemented Master Gardener Downtown Program to assist cash-strapped municipalities with improvement projects
- Founded and facilitated tri-county regional economic and workforce development practitioners group
- Engaged in regional Planning Committee on Citizen Planner courses and educational support for local planning officials
- Co-creator and facilitator of two-county Local Officials Economic Development Academy

WRITING & TRAINING EXPERIENCE

- Taught Microsoft Office Suite of Products – Word, Excel, PowerPoint, Outlook, and Access
- Designed and implemented computer training program for over 750 employees. Set up training room, wrote manuals, devised schedules, taught classes, and provided follow up support; trained additional staff
- Provided web development for Berrien, Coloma-Watervliet, and other organizations
- Designed and produced logos, brochures, flyers, invitations, brochures, newsletters, and advertising
- Written dozens of press releases with 100% publication success
- Wrote, distributed and managed business documents including annual reports, minutes, agendas, proposals, PowerPoint presentations, electronic and printed newsletters
- Wrote curriculum, training aids and tutorials, user guides, services manuals, and installation instructions
- Designed and implemented 700+ employee training program, taught classes, provided customized support
- Trained six employees in governmental procurement process, trained additional trainers

CALLIBERG, CECD, EDFP

269-206-1735 • calliberg@comcast.net • www.linkedin.com/in/calliberg

PROFESSIONAL DEVELOPMENT

- International Economic Development Council:
 - Managing Economic Development Organizations
 - Economic Development Planning
 - Retention & Expansion
 - Real Estate Development & Reuse
 - Technology-Led Economic Development
 - Neighborhood Development Strategies
 - Credit Analysis
 - Marketing and Attraction
 - Strategic Planning
- American Marketing Association:
 - Employee Performance Evaluations
 - Finance & Accounting Fundamentals
 - Basic Supervision

AFFILIATIONS

- International Economic Development Council, Member
- Michigan Economic Developers Association, Member, Education Committee Member and past Chair
- Berrien County Land Bank Authority Board Member
- Benton Charter Township Former Trustee, Board of Review Member
- Lake Michigan Community College Campaign for Tomorrow Capital Campaign
- Small Business Administration's Women's Business Center at Cornerstone Alliance, past Board Member
- Executive and Professional Woman's Association, past President
- Community Hospital Foundation Board, Board member, past Vice President
- Coloma Township Economic Development Committee, past Member
- Junior Achievement – Classroom Consultant

B. 2. (b)



The Franklin Water and Sewer Utility Department with the WRWA 2018 Annual Safety Award

(Pictured L-R) Scott Zalewski- Technician, Dennis Cindric- Operator II, Joel Hittman- Technician, Tony Paskiewicz- Technician, Joe Chitko- Technician, Dan Schacht, Operator II, Jim Nickel-Operator I, Glen Beardsley- Operator I, Bob Davis- Technician, and Mike Roberts- Superintendent

At the 2018 Wisconsin Rural Water Association (WRWA) convention in La Crosse, WI, the Franklin Water and Sewer Utility contingent was pleasantly surprised to be called up on stage to accept the Annual Safety Award. Chris Groh, WRWA Executive Director said, "This award is awarded to a utility that has shown excellence in areas of utility management, operations and customer service. One of these areas is workplace safety. Working in the public utility industries is a dangerous occupation, especially in the weather conditions we experience here in Wisconsin. We're honored to recognize communities like the City of Franklin that are committed to maintaining a safe workplace for all their municipal employees while at the same time providing excellent services to their customers."

The Wisconsin Rural Water Association is a non-profit organization representing most of the water and wastewater systems in the state. Its mission is assisting, educating and representing their members in the wise use of water resources.

Franklin was nominated for the annual Safety Award by Vincent Matarrese III of Advanced Safety Technology, Inc. Mr. Matarrese has taught Franklin personnel safety courses for over 20 years. When asked why he nominated Franklin, Vince said it was an "Easy Pick" and noted that Franklin's attitude towards safety has always been a proactive approach.

"It started with Roy Kainz years ago and Mike Roberts has improved on it." Vince further illustrated his continued admiration of Franklin's staff "When someone tells me it can't be done or nobody in the State does it, I use Franklin as an example. They haven't done a good job just in the last couple of years, but for over 20 years. That says a lot about the Franklin Utilities Department. Mike Roberts has a good group of guys and I'm proud of them. They should be recognized."

Blank Page

C.

CITY OF FRANKLIN
COMMON COUNCIL MEETING
MAY 1, 2018
MINUTES

ROLL CALL

- A. The regular meeting of the Common Council was held on May 1, 2018 and called to order at 6:30 p.m. by Mayor Steve Olson in the Franklin City Hall Council Chambers, 9229 W. Loomis Road, Franklin, Wisconsin. On roll call, the following were in attendance: Alderman Mark Dandrea, Alderwoman Kristen Wilhelm, Alderman Steve F. Taylor, and Alderman John R. Nelson. Excused were Alderman Dan Mayer and Alderman Mike Barber. Also present were City Engineer Glen Morrow, Dir. of Administration Mark Luberd, City Attorney Jesse A. Wesolowski and City Clerk Sandra Wesolowski.

CITIZEN COMMENT

- B.1. Citizen comment period was opened at 6:31 p.m. and closed at 6:37 p.m.

PROCLAMATION
STEVE F. TAYLOR

- B.2. Mayor Olson presented a proclamation in gratitude to Steve F. Taylor for his public service as a Milwaukee County Board Supervisor.

MINUTES
APRIL 17, 2018

- C. Alderwoman Wilhelm moved to approve the minutes of the regular Common Council Meeting of April 17, 2018 as amended and presented at this meeting. Seconded by Alderman Dandrea. All voted Aye; motion carried.

APPOINTMENTS
BOARDS AND
COMMISSION

- E. Alderman Taylor moved to confirm the Mayoral appointments to the following Boards and Commissions. Seconded by Alderman Nelson. On roll call, all voted Aye. Motion carried. Alderman Taylor then moved to reconsider the action to confirm the Mayoral appointments. Seconded by Alderman Nelson. All voted Aye; motion carried. It was then moved by Alderman Taylor to confirm the Mayoral appointments to the following Boards and Commissions with corrections to Item E.13. and E.18.:
1. Louis Jost, Jr., 7005 S. Lannonstone Ct. to the Architectural Board for a 3 year term expiring 4/30/2021.
 2. Alderman Dan Mayer for a 1 year term expiring 4/15/19 to the Environmental Commission.
 3. Alderman Dan Mayer to the Fair Commission for a 1 year term expiring 4/15/19.
 4. Romaine Denk, 9170 W. Highland Park Ave. to the Fair Commission for a 3 year term expiring 4/30/21.
 5. Ann Adamski, 7825 S. Stonebrook Ct. to the Fair Commission for a 3 year term expiring 4/30/21.
 6. Dennis Ciche, 8128 S. 43rd St. to the Finance Committee for a 1 year term expiring 4/30/19.
 7. Linda Witkowski, 7935 S. 67th St. to the Finance Committee for a 1 year term expiring 4/30/19.

8. Robert Campbell, Jr., 5416 W. Behrendt St. to the Finance Committee for a 1 year term expiring 4/30/19.
9. John Howard, 6658 W. Robinwood Ln. to the Finance Committee for a 1 year term expiring 4/30/19.
10. Kathleen Schnagl, 3821 W. Glenwood Dr. to the Fire and Police Commission for a 5 year term expiring 4/30/23.
11. Renee Fuller, 7205 W. Woodbury Dr. to the Board of Health for a 2 year term expiring 4/30/20.
12. Lori O'Neil, 8236 South 79th St. to the Board of Health for a 2 year term expiring 4/30/20.
13. David Gustitus, 7133 South 76th St., Ald. Dist. 5 to the Board of Health for a 2 year term expiring 4/30/20.
14. Philip Nickerson, 12001 W. Scherrei Dr. to the Parks Commission for a 3 year term expiring 4/30/21.
15. Carol Brunner, 7473 S. Karth Ct. to the Personnel Committee for a 3 year term expiring 4/30/21.
16. Joel Pesch, 8103 S. Chapel Hill Dr. to the Personnel Committee for a 3 year term expiring 4/30/21.
17. Patricia Hogan, 8239 W. Drexel Ave. to the Plan Commission for a 3 year term expiring 4/30/21.
18. Adam Burckhardt, 7541 S. 72nd St. to the Plan Commission for a 1 year term expiring 4/30/19.
19. Ken Skowronski II, 7960 S. 116th St. to the Board of Public Works for a 3 year term expiring 4/30/21.
20. Alderman Mike Barber to the Quarry Monitoring Committee for a 2 year term expiring 4/20/20.
21. Laura Galusha, 3922 W. Heatheridge Dr. to the Technology Commission for a 3 year term expiring 4/30/21.
22. Jaspreet Kaur, 6874 S. Dory Dr. to the Technology Commission for a 3 year term expiring 4/30/21.
23. Bob Knackert, 9049 S. 83rd St. to the Board of Zoning and Building Appeals for a 3 year term expiring 4/30/21.
24. Donald Adams, 3211 W. Acre Ave. as an Alternate Member to the Board of Zoning and Building Appeals for a 3 year term expiring 4/30/21.

Seconded by Alderman Nelson. On roll call, all voted Aye; motion carried.

CONSENT AGENDA
DONATION,
TEMPORARY STREET
CLOSURES,
RES. 2018-7370
OFFICIAL NEWSPAPER

- G.1. Alderman Taylor moved to approve the following consent agenda items:
 - (a) Donation from American Transmission Co. to the Department of Public Works in the amount of \$250.00 for Arbor Day 2018.
 - (b) Temporary street closure on S. Legend Drive between Schlueter Parkway and the lower City Hall parking lot in conjunction with the June 15, 2018 Outdoor Movie.

- (c) Temporary street closure on S. Legend Drive between Schlueter Parkway and the lower City Hall parking lot in conjunction with the June 9, 2018 Bike Rodeo.
- (d) Adopt Resolution No. 2018-7370, A RESOLUTION DESIGNATING AN OFFICIAL NEWSPAPER.

Approval of the above consent items was seconded by Alderman Nelson. All voted Aye; motion carried.

CONFIRMATION OF
CERTAIN CITY
APPOINTMENTS

- G.2 Alderwoman Wilhelm moved to direct staff to prepare an amendment to Municipal Code § 55-1. to insert the Economic Development Director position following the current hire. Seconded by Alderman Taylor. All voted Aye; motion carried.

APPOINTMENT OF
WAYNE SCOTT
SATULA AS BUILDING
INSPECTOR

- G.3. Alderman Taylor moved to enter closed session at 7:11 p.m. pursuant to Wis. Stats. § 19.85(1)(c), to consider employment, promotion, compensation, or performance evaluation data of a public employee over which the Common Council has jurisdiction or exercises responsibility, and may re-enter open session at the same place thereafter to act on such matters discussed therein as it deems appropriate. Seconded by Alderwoman Wilhelm. On roll call, all voted Aye. Motion carried.

Upon reentering open session at 7:26 p.m., Alderwoman Wilhelm moved to confirm the appointment of Mr. Wayne Scott Satula as Building Inspector effective May 2, 2018, and to authorize the Mayor to execute an Employment Agreement with terms and conditions substantially as to form as the "Employment Agreement Between Wayne Scott Satula and the City of Franklin," as included in the Common Council meeting packet subject to technical corrections as may be recommended by a consulting labor attorney at the discretion of the Director of Administration. Seconded by Alderman Dandrea. On roll call, all voted Aye; motion carried.

Alderman Taylor moved to suspend the regular order of business to allow Ken Skowronski to speak. Seconded by Alderman Nelson. All voted Aye; motion carried.

Alderman Taylor moved to return to the regular order of business. Seconded by Alderman Nelson. All voted Aye; motion carried.

TWO MODEL HOME
PERMITS FOR
NEUMANN
DEVELOPMENT AT
9733 S. 76TH ST.

- G.4. Alderman Nelson moved to approve the request from Neumann Development (for Park Circle, LLC) for approval for the Inspection Department to issue two model home permits for The Glen at Park Circle Duplex Single-Family Condominiums Development located at 9733 S. 76th Street, subject to conditions 1 through 5 listed on the

Council Action Sheet. Seconded by Alderman Taylor. All voted Aye; motion carried.

- RES. 2018-7371
WATER MAIN
EASEMENT AT 9875 S.
76TH ST.
- G.5. Alderman Dandrea moved to adopt Resolution 2018-7371, A RESOLUTION TO ACCEPT A WATER MAIN EASEMENT FOR 9875 S. 76TH STREET, TAX KEY NO. 896-9999-010. Seconded by Alderman Nelson. All voted Aye; motion carried.
- ORD. 2018-2324
CODIFY AND AMEND
UDO PDD 37 AT 7900 W.
CRYSTAL RIDGE DR.
(ZIM-MAR PROPERTIES
LLC, APPLICANTS)
- G.6. Alderman Taylor moved to adopt Ordinance No. 2018-2324, AN ORDINANCE TO CODIFY THROUGH CURRENT IN ITS ENTIRETY AND AMEND SECTION 15-3.0442 OF THE UNIFIED DEVELOPMENT ORDINANCE PLANNED DEVELOPMENT DISTRICT NO. 37 (THE ROCK SPORTS COMPLEX/BALLPARK COMMONS) TO REVISE THE DISTRICT IN THE FOLLOWING MANNER: TO REVISE CERTAIN DISTRICT STANDARDS INCLUDING BUT NOT LIMITED TO BUILDING HEIGHT LIMITS, BUILDING SETBACK LIMITS, AND BUILDING DENSITY LIMITS; AND TO INCLUDE ADDITIONAL MORE DETAILED SITE INFORMATION PERTAINING TO BUILDINGS AND STRUCTURES; (MIKE ZIMMERMAN AND GREG MARSO, ZIM-MAR PROPERTIES LLC, APPLICANTS) (AT APPROXIMATELY 7900 WEST CRYSTAL RIDGE DRIVE, AND ALONG WEST RAWSON AVENUE, WEST LOOMIS ROAD, AND WEST OLD LOOMIS ROAD). Seconded by Alderman Nelson. All voted Aye; motion carried.
- RES. 2018-7372
CSM
7900 W. CRYSTAL
RIDGE DR. (BALLPARK
COMMONS, LLC,
APPLICANT)
- G.7. Alderwoman Wilhelm moved to adopt Resolution No. 2018-7372, A RESOLUTION CONDITIONALLY APPROVING A 3 LOT AND 1 OUTLOT CERTIFIED SURVEY MAP, BEING A REDIVISION OF PARCELS 1 AND 2 OF CERTIFIED SURVEY MAP NO. 3931, OUTLOT 1 OF CERTIFIED SURVEY MAP NO. 3107, OUTLOT 1 OF WHITNALL VIEW ADDITION NO. 1, THAT VACATED PORTION OF CRYSTAL RIDGE DRIVE AND LANDS IN THE SOUTHWEST 1/4 AND SOUTHEAST 1/4 OF THE NORTHEAST 1/4, THE NORTHEAST 1/4, SOUTHEAST 1/4, SOUTHWEST 1/4 AND NORTHWEST 1/4 OF THE SOUTHEAST 1/4 AND THE SOUTHEAST 1/4 OF THE SOUTHWEST 1/4 ALL IN SECTION 4, TOWN 5 NORTH, RANGE 21 EAST, IN THE CITY OF FRANKLIN, MILWAUKEE COUNTY, WISCONSIN (BALLPARK COMMONS, LLC, APPLICANT) (7900 WEST CRYSTAL RIDGE DRIVE). Seconded by Alderman Dandrea. All voted Aye; motion carried
- RES. 2018-7373
CSM
7900 W. CRYSTAL
RIDGE DR. (BALLPARK
- G.8. Alderman Dandrea moved to adopt Resolution No. 2018-7373, A RESOLUTION CONDITIONALLY APPROVING A 4 LOT CERTIFIED SURVEY MAP, BEING THAT VACATED PORTION OF CRYSTAL RIDGE DRIVE AND LANDS IN THE SOUTHWEST

COMMONS, LLC,
APPLICANT)

1/4, SOUTHEAST 1/4 AND NORTHEAST 1/4 OF THE SOUTHEAST 1/4 OF SECTION 4, TOWN 5 NORTH, RANGE 21 EAST, IN THE CITY OF FRANKLIN, MILWAUKEE COUNTY, WISCONSIN (BALLPARK COMMONS, LLC, APPLICANT) (7900 WEST CRYSTAL RIDGE DRIVE). Seconded by Alderman Taylor. All voted Aye; motion carried.

RES. 2018-7374
CSM
7900 W. CRYSTAL
RIDGE DR. (BALLPARK
COMMONS, LLC,
APPLICANT)

G.9. Alderman Taylor moved to adopt Resolution No. 2018-7374, A RESOLUTION CONDITIONALLY APPROVING A 4 LOT CERTIFIED SURVEY MAP, BEING PART OF THE NORTHWEST 1/4 OF THE NORTHEAST 1/4 AND THE NORTHEAST 1/4 AND SOUTHEAST 1/4 OF THE NORTHWEST 1/4 OF SECTION 9, TOWN 5 NORTH, RANGE 21 EAST, IN THE CITY OF FRANKLIN, MILWAUKEE COUNTY, WISCONSIN (BALLPARK COMMONS, LLC, APPLICANT) (APPROXIMATELY 7900 WEST CRYSTAL RIDGE DRIVE). Seconded by Alderwoman Wilhelm. All voted Aye; motion carried.

RES. 2018-7375
FINAL PLAT AT 7501 S.
49TH ST. (RICK J.
PRZYBYLA,
APPLICANT)

G.10. Alderwoman Wilhelm moved to adopt Resolution No. 2018-7375, A RESOLUTION CONDITIONALLY APPROVING A FINAL PLAT FOR EVERGREEN PARK ESTATES SUBDIVISION (AT APPROXIMATELY 7501 SOUTH 49TH STREET) (RICK J. PRZYBYLA, PRESIDENT OF CREATIVE HOMES, INC., APPLICANT). Seconded by Alderman Taylor. All voted Aye; motion carried.

RES. 2018-7376
RELEASE RIGHT OF
ACCESS RESTRICTION
AT S. 51ST ST. AND W.
PUETZ RD. (VH
ACQUISITIONS, LLC,
APPLICANT)

G.11. Alderman Taylor moved to adopt Resolution No. 2018-7376, A RESOLUTION TO RELEASE THE RIGHT OF ACCESS RESTRICTION BETWEEN THE WEST PUETZ ROAD RIGHT OF WAY AND THE PROPERTY ABUTTING THE RIGHT OF WAY TO THE SOUTH, LOCATED AT APPROXIMATELY SOUTH 51ST STREET AND WEST PUETZ ROAD, BEARING TAX KEY NO. 853-9995-010 (VH ACQUISITIONS, LLC, APPLICANT; BORISLAV KRESOVIC, OWNER). Seconded by Alderman Nelson. All voted Aye; motion carried.

PARK COMMISSION
RECOMMENDATION-
PENDING PARK LAND
ACQUISITION

G.12. Alderman Nelson moved to change the status of the Neighborhood Park Land Acquisition project in the 2018 Capital Improvement Fund to an "approved project" and directing the Park Commission to identify candidate parcel(s) in closed session as necessary and further direct staff to provide the steps for land acquisition to the Parks Commission at their next meeting for consideration of the subject matter. Seconded by Alderwoman Wilhelm. All voted Aye; motion carried.

RES. 2018-7377
VACATE RIGHT OF

G.13. Alderman Dandrea moved to entertain the introduction of Resolution No. 2018-7377, A RESOLUTION TO VACATE APPROXIMATELY

WAY AT 11607 W.
RYAN RD. AND 11533
W. RYAN RD.

0.1664 ACRE OF RIGHT OF WAY WHICH EXTENDS ALONG SOUTH 116TH STREET, DIRECTLY SOUTH OF 116TH STREET, SOUTH OF WEST RYAN ROAD AND WEST OF LOOMIS ROAD, ADJACENT TO PROPERTY LOCATED AT 11607 WEST RYAN ROAD BEARING TAX KEY NO. 891-9989-004 AND 11533 WEST RYAN ROAD BEARING TAX KEY NO. 892-9997-000. Seconded by Alderman Nelson. All voted Aye; motion carried.

Alderwoman Wilhelm moved to set the public hearing upon the proposed vacation of right of way for [not less than 40 days from May 1, 2018] June 19, 2018. Seconded by Alderman Nelson. All voted Aye; motion carried.

DESIGN OF S. 68TH ST.
FROM W. LOOMIS TO
W. PUETZ RD.

G.14. Alderman Taylor moved to authorize staff to solicit engineering firms for the preliminary design of S. 68th Street from W. Loomis Road (City limits) to W. Puetz Road. Seconded by Alderman Dandrea. All voted Aye; motion carried.

HVAC CONTRACT FOR
SEWER & WATER
OPERATIONS AT 5550
W. AIRWAYS AVE.

G.15. Alderman Taylor moved to authorize publication of a Class I notice of intent to award a contract for HVAC system in the sewer and water operations center at 5500 W. Airways Avenue to Southport Heating, Plumbing, and Geothermal in the amount of \$16,750 and authorize City Engineer to execute a purchase order for such construction following publication of such notice. Seconded by Alderman Nelson. All voted Aye; motion carried.

DESIGN OF IND. PARK
LIFT STATION
ABANDONMENT AND
SEWER EXTENSION

G.16. Alderman Taylor moved to authorize staff to solicit engineering firms for the design of the Industrial Park Lift Station abandonment and sewer extension. Seconded by Alderman Nelson. On roll call, Alderman Dandrea, Alderman Taylor, and Alderman Nelson voted Aye; Alderwoman Wilhelm voted No. Motion carried.

PURCHASE OF CANON
IPF 785 PLOTTER AND
SCANNER

G.17. Mayor Olson vacated his Chair and passed the gavel to Acting Mayor Dandrea, who then chaired the meeting.

Alderman Taylor moved to authorize staff to purchase a large format Canon iPF 785 plotter and scanner from James Imaging Systems for \$6,200 from the capital outlay funds contingency appropriation. Seconded by Alderman Nelson. All voted Aye; motion carried.

The gavel was returned to Mayor Olson, who then chaired the meeting.

TRUCK AND CHASSIS
SEWER CLEANING
AND VACUUM UNIT

G.18. Alderman Taylor moved to authorize staff to solicit vendors for one truck and chassis with a combined sewer cleaning and vacuum unit mounted on truck and chassis for Board of Public Works review and approval and to authorize City Engineer to execute a purchase order

pending Board of Public Works approval. Seconded by Alderman Dandrea. All voted Aye; motion carried.

LICENSES AND
PERMITS

- H. Alderman Taylor moved to approve the following: Hold 2017-18 and 2018-19 Operator license applications for appearance from Desiree Teufel, 4736A W Forest Home Ave., Milwaukee; Nicole Klemme, 11022 W Liberty Ave., Hales Corners; Megan Petersen, 170 E Green Tree Rd., Fox Point; Grant Extraordinary Entertainment & Special Event licenses to ARCW-AIDS (Carrie Sweet) for Ride throughout the City of Franklin on 7/28/2018; Ragnar Relay Chicago (Troy Wheeler) for their event on 5/18/18 to 5/19/18; Grant Class A Combination licenses subject to compliance with City Ordinance and approval of inspections, to Dairyland Retail Group, LLC, Agent Elizabeth Evans, 7610 W Rawson Ave.; Ryan Fuel LLC, Agent Kavita Khullar, 5120 W Ryan Rd.; Wisconsin CVS Pharmacy LLC, Agent Samantha Jo Klaphake; New Liquor & Food, Inc, Agent Gurjeet Singh, 8305 S 27th St.; Kwik Trip, Inc, Agent Samuel McCormick, 5040 W Rawson Ave.; Sam's East, Inc, Agent Henry Monti, 6705 S 27th St.; Sendik's Franklin LLC, Agent Theodore Balistreri, 5200 W Rawson Ave.; Target Corporation, Agent Shane Clapsaddle, 7800 S Lovers Lane Rd.; Wal-Mart Stores East, LP, Agent Jon McCourt, 6701 S 27th St.; Walgreen Co., Agent Jessica Nerby (verification of name update required), 7130 S 76th St.; Grant Class A Combination licenses subject to payment & compliance with City Ordinance and approval of inspections to Hodach Petroleum Inc, Agent Stephen Hodach, 9830 W St Martins Rd.; Hold Class A Combination license application for appearance from Spirit Dreams LLC, Agent Scott Haese, 6507A S 27th St.; Kwik Trip Inc, Agent Andrew Wichmann, 10750 W Speedway Dr.; Mega marts, LLC, Agent Haley Dixon, 7780 S Lovers Lane Rd.; Ultra Mart Foods, LLC, Agent Ricky Kloth, 7201 S 76th St.; Walgreen Co., Agent Jason Marinello, 9527 S 27th St.; Walgreen Co., Agent Jessica Marin, 9909 W Loomis Rd.; Grant Class B Combination license subject to payment and compliance with City Ordinance and approval of inspections to, The Bowery, LLC, Agent Roger Hein, 3023 W Ryan Rd.; Robley Tech Inc, Agent Dennis Rau, 8330 W Puetz Rd.; St Martins Inn, LLC, Agent Dennis Wegner, 11318 W St Martins Rd.; Grant Class B Combination license subject to compliance with City Ordinance and approval of inspections to, RLGIDI, Inc, Agent Rex Idrizi, 3137 W Rawson Ave.; ERJ Dining III, LLC, Agent Paul Thompson, 6439 S 27th St.; Enthusiast Approved LLC, Agent Apostolos Evreniadis, 9405 S 27th St.; Romey's Place LLC, Agent Nathan Fabry, 7508 S North Cape Rd.; Grant Class B Combination and Entertainment & Amusement licenses subject to compliance with City Ordinance and approval of inspections to, Christopher Matecki (Individually Owned), 9461 S 27th St.; Seventy-Six Street Pub & Grill Inc, Agent Debra Schaefer, 9643 S 76th St.; Little Cancun LLC, Agent Veronica Cervera, 7273A S 27th St.; BST, LLC,

Agent Brian Francis, 8933 S 27th St.; HB&H, LLC, Agent Gerald Hay, 10741 S 27th St.; Point After LLC, Agent Darryl Malek, 7101 S 76th St.; Polish Heritage Alliance Inc, Agent Jeffrey Kuderski, 6941 S 68th St.; Polonia Sport Club Inc, Agent Irene Hawkinson, 10200 W Loomis Rd.; Rawson Pub, Inc, Agent Steven Schweitzer, 5621 W Rawson Ave.; The Rock Sports Complex LLC, Agent Thomas Johns, 7900 W Crystal Ridge Dr.; Kriton & Ermira LLC, Owner/Agent Ermira Lazaj, 8405 S 27th St.; Grant Class B Combination, Entertainment & Amusement and Bowling licenses subject to compliance with City Ordinance and approval of inspections to Country Lanes LLC, Agent Robert Sczerzen, 11231 W Forest Home Ave.; Grant Reserve Class B Combination and Entertainment & Amusement licenses subject to compliance with City Ordinance and approval of inspections to, Federation of Croatian Societies, Inc, Agent Josip Veber, 9100 S 76th St.; Rock Snow Park LLC, Agent David Schmitz, 7900B W Crystal Ridge Dr.; Grant Reserve Class B Combination licenses subject to compliance with City Ordinance and approval of inspections to, FF&E, LLC, Agent Teresa D'Amato, 6901 S 76th St.; Hudson Burger LLC, Agent Tina Savage, 6421 S 27th St.; Grant Class B Combination, Country Club and Entertainment & Amusement licenses subject to compliance with City Ordinance and approval of inspections to Tuckaway Country Club, Agent Jennifer Jacobi, 6901 W Drexel Ave.; Grant Class B Beer license subject to compliance with City Ordinance and approval of inspections to M-squared Inc, Agent Michael Falk, 11357 W St Martins Rd.; Grant Class B Beer and Class C Wine licenses subject to compliance with City Ordinance and approval of inspections to Lover Lane Buffet, Inc, Agent JianDuan Jiang, 6514 S Lovers Lane Rd.; Grant Amusement Device Operator licenses to National Amusements, Owner Janis Thein, 2740 S 9th Pl, Milwaukee; National Entertainment Network, Owner Edward Flaherty, 325 Interlocken Pkwy B, Bromfield, Colorado; Red Novelty Ltd, Agent Jay Jacomet, 1921 S 74th St., West Allis; Grant Day Care licenses, subject to compliance with City Ordinance and approval of inspections to, Academy of Preschool Learning, Inc, Manager Nadeen Balsis, 9501 W Drexel Ave.; Discovery Days Childcare III, Inc, Manager Tina Kraussel, 9758 S Airways Ct.; Faith Academy Child Care Development Center, Manager Jennifer Finch, 7700 W Faith Dr.; Jubilee Christian Day Care, Manager Tanya Soich, 6855 S 50th St.; Knowledge Universe LLC, Manager Theresa Castronovo, 6350 S 108th St.; Mrs. Rikki's Structured Daycare, Manager Rochelle Boyce, 11224 W Forest Home Ave.; Grant Entertainment & Amusement license, subject to compliance with City Ordinance and approval of inspections to Marcus Cinemas of Wisconsin LLC, Agent Mark Gramz, 8910 S 102nd St.; Grant Mobile Home licenses, subject to compliance with City Ordinance and approval of inspections to, Badger MHP, LLC, Manager Jason Janda, 6405 S 27th St.; Franklin Mobile, LLC, Manager David Steinberger, 6361 S 27th St.;

Grant 2017-18 Operator license to Tiffany Heller, 7855 S Scepter Dr., #9, Franklin; Grant 2017-18 and 2018-19 Operator licenses to Nicole Baker, 7554 S 75th St., Franklin; Eric LaFond, 13260 Kirkwood Dr., New Berlin; Tiffany Torres, 2318 S 62nd St., West Allis; Grant 2018-19 Operator licenses to Joseph Ligocki, 10400 S Redwood Ln., Oak Creek; Kim Martinez, 7800 W 7 Mile Rd., Franksville; Timothy Schappel, 207B N Washington St., Burlington; Erika Schroble, 6850 W Kathleen Ct., Apt 6, Franklin; Danielle Anderson, 2967 N Frederick Ave., Milwaukee; Wendy Balistreri, 7271 S Delaine Dr., Oak Creek; Wendy Beierle, 9221 S 96th St., Franklin; Pamela Brys, 1720 W Meyer Ln, #6104, Oak Creek; Susan DeGeorge, 2456 S 88th St., West Allis; Marcus Drewek, 2957 S 51st St., Milwaukee; Joshua Farrell, 7417 S 36th St., Franklin; Katelynn Flowers, 5829 S New York Ave., Cudahy; Jeremy Haese, 11811 W Rawson Ave., Franklin; Daniel Hodach, 4520 Empire Ln., Waterford; Tracy Levar, S79W17801 Scenic Dr., Muskego; June Loh, 7930 W Coldspring Rd., Greenfield; Shelly Marquardt, 26011 75th St Upper, Salem; Susan Mlynczak, 16513 50th Rd., Franksville; Richard Rabiega, 3733 Jerelin Dr., Franksville; Terese Riesner, 3426 S Glen Park Ct., New Berlin; Candice Sibila, 4362 S Nicholson Ave., St Francis; Elyzabeth Smith, 5389 Orchard Ln., Greendale; Raymond Syrstad, 7815 S Scepter Dr, #27, Franklin; Jessica Urban, 584 Pewaukee Rd., nit A, Pewaukee; Kathleen Wegner, 26545 Nordic Ridge Dr., Wind Lake; Raquel Zalewski, 3625 W Riskin St., Milwaukee; Philip Zurowski, 11836 W Howard Ave., Greenfield.

Seconded by Alderwoman Wilhelm. All voted Aye; motion carried.

Alderman Taylor moved to approve the following: Grant 2017-18 and 2018-19 Operator licenses to Nicole Klemme, 11022 W Liberty Ave., Hales Corners; Megan Petersen, 170 E Green Tree Rd., Fox Point; Grant 2017-18 and 2018-19 Operator licenses with a warning letter from the City Clerk to Desiree Teufel, 4736A W Forest Home Ave., Milwaukee; Grant 2018-19 Operator licenses to Matthew Albrecht, S103W20703 Heather Ln., Muskego; Amy Balcerzak, 2605 E Emily Ave., Oak Creek; Karen Ban, 3133 W Bridge St., Greenfield; Virginia Bennett, 3133 W Bridge St., Greenfield; Brandon Bhatti, S90W12978 Boxhorn Reserve Ct., Muskego; Michael Boese, 9169 W Elm Ct, #E, Franklin; Roger Burczyk Jr., 9529 Caddy Ln., Caledonia; Peggy Counter, S98W13259 Loomis Dr., Muskego; Leah Gdaniec, S76W20251 Sunny Hill Dr., Muskego; Ellen Jensen, 2415 W Hilltop Ln., Franklin; Jill Jones, 5495 W Cobblestone Way, Franklin; Dawn Klinko, 6830 W Kathleen Ct, #4, Franklin; Jeni Knoedler, 25710 Dover Line Rd., Waterford; Melissa Murphy, 6157 S 42nd St., Greenfield; Martha Norman, 9741 S Deerpath Dr., Oak Creek; Sarah Page, 1227 Williams Ave., South Milwaukee; Mark Reikowski, W125S8317 North Cape Rd, Muskego; Laura Rogers, 3105 W Mangold Ave, #1,

Greenfield; Nadine Stork, 8636 W Marshfield Ct., Franklin; Nathan Tiedke, 9334 S Orchard Park Cir, #2B, Oak Creek; Deanna Umaske, 1721 Edgewood Ave., South Milwaukee; Kathleen Varga, 3739 S Packard Ave, #120, St Francis; Denise Widenski, 7335 S Quincy Ave., Oak Creek; Yanni Jin, 10375 W Plum Tree Cir., Hales Corners; Grant Amusement Device Operator licenses to American Entertainment, Owner Ken Grothman, W337S5059 Hwy GG, Dousman; Mitchell Novelty Co., Owner Ralph Fleege, 3506 W National Ave, Milwaukee; Wisconsin P&P Amusements, Owner Michael Weigel, 12565 W Lisbon Rd, Brookfield; Grant Entertainment & Amusement license pending satisfactory inspections to Innovative Health & Fitness Building LLC, Owner Scott Cole, 8800 S 102nd St., Grant Extraordinary Entertainment & Special Event license and Temporary Class B Beer & Wine License to Xaverian Missionaries (Fr. Alejandro Rodriguez, SX) for their Annual Mission Festival on 6/23/2018 to 6/24/2018.

Seconded by Alderwoman Wilhelm. All voted Aye; motion carried.

VOUCHERS AND
PAYROLL

- I. Alderwoman Wilhelm requested a division of the motion, to separately take action on City vouchers with an ending date of May 1, 2018, in the amount of \$2,453,175.31.

Alderman Dandrea then moved to approve the following:

Payroll dated April 27, 2018 in the amount of \$388,134.84 and payments of the various payroll deductions in the amount of \$455,880.65 plus City matching payments; and Estimated Payroll dated May 11, 2018 in the amount of \$402,000.00 and payments of the various payroll deductions in the amount of \$229,000.00, plus City matching payments; and Property tax refunds with an ending date of April 26, 2018 in the amount of \$2,529.90; and the release of various vendor payments in the amount of \$13,010.00; and \$16,959.67 payment to SKC Communications. Seconded by Alderman Nelson. On roll call, all voted Aye. Motion carried.

Alderwoman Wilhelm moved to approve City vouchers with an ending date of May 1, 2018 in the amount of \$2,453,175.31 with the condition that Finance report the cost allocations associated with several different projects for Check #168715 to Ruekert & Mielke, Inc. for Invoice #122896. Seconded by Alderman Taylor. On roll call, all voted Aye. Motion carried.

ADJOURNMENT

- J. Alderman Taylor moved to adjourn the meeting at 8:07 p.m. Seconded by Alderman Nelson. All voted Aye; motion carried.

APPROVAL <i>Slw</i>	REQUEST FOR COMMON COUNCIL ACTION	MEETING DATE 5-15-18
ORGANIZATIONAL BUSINESS	Board and Commission Appointment	ITEM NUMBER <i>E.</i>

The following appointment has been submitted by the Mayor for Council confirmation:

Mayoral appointment of Kelamar Svoboda, 4928 W. Tumblecreek Drive, Ald. Dist. 3 to the Board of Review for an unexpired 3-year term expiring 4/30/20.

COUNCIL ACTION REQUESTED

Motion to confirm the following Mayoral appointment:

Kelamar Svoboda, 4928 W. Tumblecreek Drive, Ald. Dist. 3 to the Board of Review for an unexpired 3-year term expiring 4/30/20.

Clerks Office/SJR

Shirley Roberts

From: volunteerfactsheet@franklinwi.gov
Sent: Wednesday, May 02, 2018 12:50 PM
To: Lisa Huening; Shirley Roberts; Sandi Wesolowski
Subject: Volunteer Fact Sheet

Name: Kel Svoboda
PhoneNumber: 4142139014
EmailAddress: brokerks@gmail.com
YearsasResident: 6
Alderman:
ArchitecturalBoard: 0
CivicCelebrations: 0
CommunityDevelopmentAuthority: 1
EconomicDevelopmentCommission: 0
EnvironmentalCommission: 0
FinanceCommittee: 0
FairCommission: 0
BoardofHealth: 0
FirePoliceCommission: 0
ParksCommission: 0
LibraryBoard: 0
PlanCommission: 0
PersonnelCommittee: 0
BoardofReview: 1
BoardofPublicWorks: 0
QuarryMonitoringCommittee: 0
TechnologyCommission: 0
TourismCommission: 0
BoardofZoning: 0
WasteFacilitiesMonitoringCommittee: 0
BoardWaterCommissioners: 0
CompanyNameJob1: First Weber
TelephoneJob1: 4142139014
StartDateandPositionJob1: 1/17
EndDateandPositionJob1:
CompanyNameJob2:
TelephoneJob2:
StartDateandPositionJob2:
EndDateandPositionJob2:
CompanyNameJob3:

TelephoneJob3:
StartDateandPositionJob3:
EndDateandPositionJob3:
Signature: Kel Svoboda
Date: 5/2/2018
Signature2: Kel Svoboda
Date2: 5/2/18
Address: 4928 W Tumble Creek Dr
PriorityListing: Board of Review
WhyInterested: Franklin is a great place with great people and feel I can contribute so my interest is that of serving our city.
CompanyAddressJob1: 611 N. Barker Road Brookfield WI
DescriptionofDutiesJob1: Regional Vice President responsible for statewide sales, mergers, staff development, company growth and achieving financial objectives.
AddressJob2:
DescriptionofDutiesJob2:
AddressJob3:
DescriptionofDutiesJob3:
AdditionalExperience: Real Estate business for 15 years and has had his Broker's license for 12 of them. Kel has been an active member of the GMAR (Greater Milwaukee Association of REALTORS®) for 12 years and is now in his 5th year as a Director on the GMAR board. Kel is a large Donor for the RPAC (REALTORS® Political Action Committee); a Chairman on the YPN (Young Professionals Network) Group-Milwaukee REALTOR® Chapter; and a Council Member for NAREB (National Association of Real Estate Brokers). In addition, Kel was a Founding Chairman of the WYPN (Wisconsin Young Professionals Network); a member of the WRA (Wisconsin REALTORS® Association) Foundation Task Force; a member of the GMAR Public Policy Task Force; and an Honoree in 2014 for Realtor Magazine's 30 under 30.
ClientIP: 66.162.118.115
SessionID: uqpuh345ex5d2quy0e5dhlnt
See Current Results

Blank Page

Do you want the love and companionship of a dog, but have only limited time to commit? Want to test drive a dog for the weekend before adopting? Want to make a difference in the life of an animal by having a weekend sleepover visit and letting us know what a dog is like in a home to help them find their perfect family? If you have answered YES to any of these questions, the MADACC Weekenders program is for you!

contact

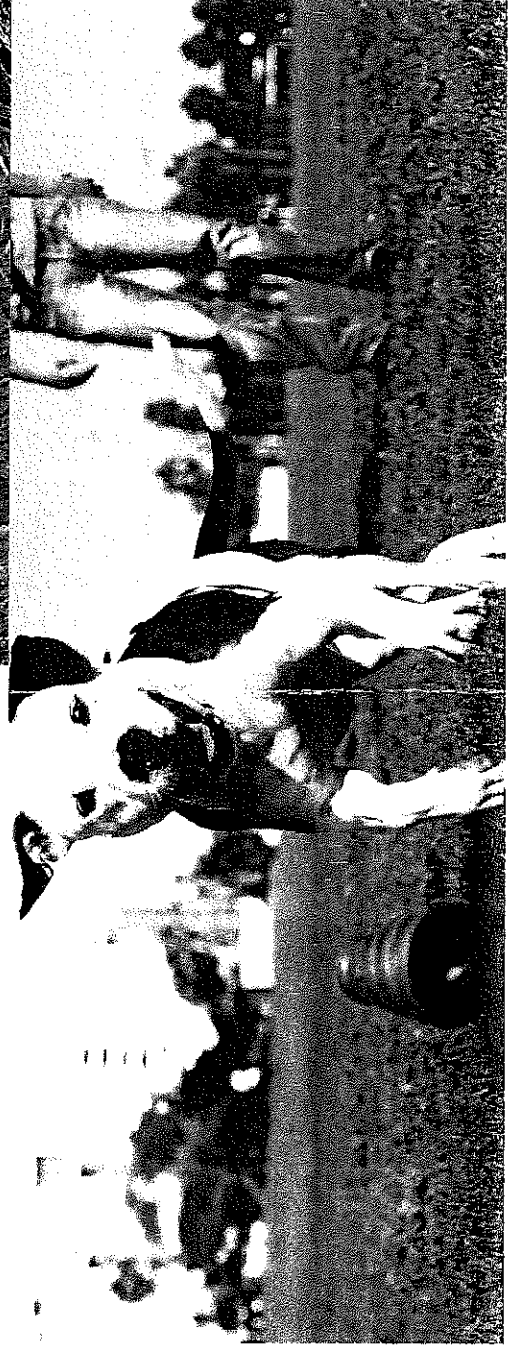


Milwaukee Area Dog Training
Animal Control
www.madacc.org
foster@madacc.org
414-649-8640




Studies show that animals who have breaks from the shelter have lower stress levels, maintain their potty and training skills and are happier adoption candidates. For humans a weekend companion gives you the opportunity to bond with a loving dog, reduces your own stress levels, but, most importantly, you can help an animal get adopted much faster and help us make better matches.

You only have to fill out one application and can participate in the program as much or as little as you like. One weekend, or several! The commitment is up to you! MADACC will send home a collar with ID, harness, leash, dog bowls, a foldable crate, food and whatever else the dog will need for the weekend.



Check out our website each week on Thursday at noon and select from the available weekenders and make a reservation to come into MADACC to pick up between 5 - 7 Friday night. MADACC will chose dogs that will benefit from a weekend away, typically dogs 40 lbs or larger.

APPROVAL 	REQUEST FOR COUNCIL ACTION	MEETING DATE 5/15/2018
REPORTS & RECOMMENDATIONS	Request to Increase One Extended-Term, Part-Time Maintenance Custodian Position from a Regular Schedule of 19 Hours/Week to 20 Hours/Week	ITEM NUMBER <i>G.1(a)</i>
<p>Keith Sutherland has been a part-time custodian since 2006, mainly working at the Franklin Public Library, and is currently scheduled 19 hours per week. When he was hired the position was covered by the AFSCME labor contract. As such, he received all pro-rated benefits, including pension and all time-off benefits. He did not receive health/dental benefits as he was scheduled under 20 hours per week.</p> <p>After Act 10, and the elimination of the AFSCME contract, Keith was grandfathered in to continue to receive the benefits that he already had. It was determined on 9/1/2015 that future custodians would receive time-off benefits (sick, holiday, vacation, and personal days) if they were scheduled to work 20 or more hours per week. They would not receive pension or insurance benefits unless they were budgeted to work 30 or more hours per week.</p> <p>Keith will be retiring effective 6/15/2018. The Director of Administration and Human Resource Coordinator propose modifying the position approval from a .48 position (19 hours/week) to a .5 position (20 hours/week). They believe offering pro-rated time-off benefits will attract and retain a better qualified applicant for this position. Please note that the regular work schedule for this position is 20 hours; however, as with the current position, this position is also used to fill in for absences of the City's other maintenance positions.</p> <p>Cost Impact: The \$1,373 currently budgeted for pension will be eliminated. In addition, it is anticipated that a new hire will probably be brought in at \$3 to \$4/hour less than the incumbent. The department would be able to provide better service, due to the additional hour of service each Friday, and still anticipate a cost savings of approximately \$4,000/year.</p> <p>At their meeting of May 9, 2018, the Personnel Committee approved a motion recommending to the Common Council to increase one extended-term, part-time Maintenance Custodian position from a regular schedule of 19 hours/week to 20 hours/week.</p> <p style="text-align: center;">COUNCIL ACTION REQUESTED</p> <p>A motion to approve the request to increase one extended-term, part-time Maintenance Custodian position from a regular schedule of 19 hours/week to 20 hours/week as recommended by the Personnel Committee.</p>		

Blank Page

APPROVAL <i>Slw</i>	REQUEST FOR COUNCIL ACTION	MEETING DATE <i>5/15/2018</i>
REPORTS & RECOMMENDATIONS	DONATIONS TO THE FRANKLIN POLICE DEPARTMENT	ITEM NUMBER <i>G. I. (b)</i>

The City of Franklin Police Department has received the following donations:

1) \$200.00 donation from Southwest Milwaukee Optimist Club - to be put toward the purchase of bicycle lights to be handed out at the 2018 Annual City of Franklin Bike Rodeo.

COUNCIL ACTION REQUESTED

Motion to accept the \$200.00 donation from the Southwest Milwaukee Optimist Club to be deposited into Police Donations and earmarked for the Bicycle Rodeo.

Police Department - RO

Blank Page

APPROVAL <i>Slw</i>	REQUEST FOR COUNCIL ACTION	MEETING DATE <i>5/15/18</i>
Reports and Recommendations	22nd Annual <u>Franklin Students Tell the Truth about Tobacco</u> Poster Contest Winners	ITEM NUMBER <i>G.I.(c)</i>

Background: While Wisconsin has a smoke-free workplace law, tobacco companies continue advertising to children and teens with flavored tobacco products. The City of Franklin Health Department sponsored a movie theater poster contest amongst 7th grade students at Forest Park Middle School. Winning posters will be displayed at Showtime Movie Theater in Franklin from September, 2018 through May, 2018. Our students' artwork will help spread the truth about tobacco to their peers and the Franklin community.

Analysis: Over 230 posters were submitted and nine were chosen to be displayed. All poster contest winners were honored at the May 9th Franklin Public Schools' Board of Education meeting. Winning posters will be displayed at the Common Council meeting. The winning students are:

- Kendall Kahl
- Rachel McNeilly
- Molly Soczka
- Danika Minster
- Sydney Davis
- Jenna Pekar
- Milan Nguyen
- Kaycie Griesemer
- Ben Rewolinski

Many thanks to this year's judges who represent the Common Council, School Board, and other community leaders and business in Franklin.

Fiscal Note: Winners will receive a copy of their poster, a \$100 gift card, and Marcus movie pass. Funding for this program is derived from tobacco license fees paid to the City of Franklin and is a line item in the department budget.

COUNCIL ACTION REQUESTED:

The Common Council is requested to accept this report and place it on file.

Blank Page

APPROVAL <i>Slw</i> <i>jd</i>	REQUEST FOR COMMON COUNCIL ACTION	MEETING DATE May 15, 2018
REPORTS & RECOMMENDATIONS	Presentation of the 2017 Annual Comprehensive Financial Report for the City of Franklin, WI	ITEM NUMBER <i>G.2.</i>

Background

The Finance Dept has prepared the 2017 Comprehensive Annual Financial Report for the City of Franklin, portions of which have been audited by Baker Tilly, LLP – CPA's.

The Auditor's report has not been finalized, as they are awaiting some information. That information is not expected to modify the report. They will issue their final audit opinion once all the information is available.

The Finance Committee reviewed the report at the May 8, 2018 meeting and recommends acceptance.

The Finance Director will review highlights of the report and be available for questions.

The Baker Tilly, LLP partner, John Knepel, CPA will be in attendance to present his findings.

Please note, this presentation of the 2017 CAFR essentially becomes the initial step of the 2019 Budget development, since the most recent completed year is a significant driver of and source of input into the budget development process. The Director of Administration and Finance Director will now look to present at the Committee of Whole for June (or the first Common Council meeting of June) the high-level 2019 budget estimate, including a reconciliation of the preliminary 2018 budget estimate with the final adopted 2018 budget. That meeting will be used to identify individual strategies or options that can be further investigated to help address the demands of the 2019 budget.

COUNCIL ACTION REQUESTED

Motion to accept the 2017 Comprehensive Annual Financial Report for the City of Franklin and place on file.

CITY OF FRANKLIN

Franklin, Wisconsin

COMMUNICATION TO THOSE CHARGED WITH GOVERNANCE AND MANAGEMENT

As of and for the Year Ended December 31, 2017

Preliminary Draft
For Discussion Purposes Only

CITY OF FRANKLIN

TABLE OF CONTENTS

	<u>Page No.</u>
Required Communication of Internal Control Related Matters Identified in the Audit to Those Charged with Governance	1
Other Communications to Those Charged with Governance	
Two Way Communication Regarding Your Audit	2 - 3
Communication of Other Control Deficiencies, Recommendations and Informational Points to Management that are not Material Weaknesses or Significant Deficiencies	4 - 8
Required Communications by the Auditor to Those Charged with Governance	9 - 12
Summary of Uncorrected Financial Statement Misstatements	
Management Representations	

Preliminary Draft
For Discussion Purposes Only

**REQUIRED COMMUNICATION OF INTERNAL CONTROL RELATED MATTERS IDENTIFIED IN THE
AUDIT TO THOSE CHARGED WITH GOVERNANCE**

Preliminary Draft
For Discussion Purposes Only

To the Mayor and Common Council
City of Franklin
Franklin, Wisconsin

In planning and performing our audit of the financial statements of the City of Franklin (the "City") as of and for the year ended December 31, 2017, in accordance with auditing standards generally accepted in the United States of America, we considered its internal control over financial reporting (internal control) as a basis for designing our auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of its internal control. Accordingly, we do not express an opinion on the effectiveness of its internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. We did not identify any deficiencies in internal control that we consider to be material weaknesses.

This communication is intended solely for the information and use of management, the Common Council, and others within the organization and is not intended to be, and should not be, used by anyone other than these specified parties.

Milwaukee, Wisconsin
May 8, 2018

OTHER COMMUNICATIONS TO THOSE CHARGED WITH GOVERNANCE

TWO WAY COMMUNICATION REGARDING YOUR AUDIT

As part of our audit of your financial statements, we are providing communications to you throughout the audit process. Auditing requirements provide for two-way communication and are important in assisting the auditor and you with more information relevant to the audit.

As this past audit is concluded, we use what we have learned to begin the planning process for next year's audit. It is important that you understand the following points about the scope and timing of our next audit:

- a. We address the significant risks or material misstatement, whether due to fraud or error, through our detailed audit procedures.
- b. We will obtain an understanding of the five components of internal control sufficient to assess the risk of material misstatement of the financial statements whether due to error or fraud, and to design the nature, timing, and extent of further audit procedures. We will obtain a sufficient understanding by performing risk assessment procedures to evaluate the design of controls relevant to an audit of the financial statements and to determine whether they have been implemented. We will use such knowledge to:
 - > Identify types of potential misstatement.
 - > Consider factors that affect the risks of material misstatement.
 - > Design tests of controls, when applicable, and substantive procedures.

We will not express an opinion on the effectiveness of internal control over financial reporting or compliance with laws, regulations, and provisions of contracts or grant programs.

- c. The concept of materiality recognizes that some matters, either individually or in the aggregate, are important for fair presentation of financial statements in conformity with generally accepted accounting principles while other matters are not important. In performing the audit, we are concerned with matters that, either individually or in the aggregate, could be material to the financial statements. Our responsibility is to plan and perform the audit to obtain reasonable assurance that material misstatements, whether caused by errors or fraud, are detected.

We are very interested in your views regarding certain matters. Those matters are listed here:

- a. We typically will communicate with your top level of management unless you tell us otherwise.
- b. We understand that the Common Council has the responsibility to oversee the strategic direction of your organization, as well as the overall accountability of the entity. Management has the responsibility for achieving the objectives of the entity.
- c. We need to know your views about your organization's objectives and strategies, and the related business risks that may result in material misstatements.
- d. Which matters do you consider warrant particular attention during the audit, and are there any areas where you request additional procedures to be undertaken?
- e. Have you had any significant communications with regulators or grantor agencies?
- f. Are there other matters that you believe are relevant to the audit of the financial statements?

TWO WAY COMMUNICATION REGARDING YOUR AUDIT

Also, is there anything that we need to know about the attitudes, awareness, and actions of the City concerning:

- a. The City's internal control and its importance in the entity, including how those charged with governance oversee the effectiveness of internal control?
- b. The detection or the possibility of fraud?

We also need to know if you have taken actions in response to developments in financial reporting, laws, accounting standards, governance practices, or other related matters, or in response to previous communications with us.

With regard to the timing of our audit, here is some general information. We will perform preliminary financial audit work during the months of October-December, and sometimes early January. Our final financial fieldwork is scheduled during the spring to best coincide with your readiness and report deadlines. After fieldwork, we wrap up our financial audit procedures at our office and may issue drafts of our report for your review. Final copies of our report and other communications are issued after approval by your staff. This is typically 6-12 weeks after final fieldwork, but may vary depending on a number of factors.

Keep in mind that while this communication may assist us with planning the scope and timing of the audit, it does not change the auditor's sole responsibility to determine the overall audit strategy and the audit plan, including the nature, timing, and extent of procedures necessary to obtain sufficient appropriate audit evidence.

We realize that you may have questions on what this all means, or wish to provide other feedback. We welcome the opportunity to hear from you.

Preliminary Draft
For Discussion Purposes Only

COMMUNICATION OF OTHER CONTROL DEFICIENCIES, RECOMMENDATIONS AND
INFORMATIONAL POINTS TO MANAGEMENT THAT ARE NOT MATERIAL WEAKNESSES OR
SIGNIFICANT DEFICIENCIES

Preliminary Draft
For Discussion Purposes Only

INFORMATIONAL POINTS

DEPARTMENTAL CONTROLS

As part of our annual audit process, we focus our efforts on the primary accounting systems, internal controls, and procedures used by the City. This is in keeping with our goal to provide an audit opinion which states that the financial statements of the City are correct in all material respects.

In some cases, the primary system of accounting procedures and controls of the City are supported by smaller systems which are decentralized, and reside within a department or location. In many cases, those systems are as simple as handling cash collections and remitting those collections to the City treasurer. (For example, this would be the case in a typical municipal library.) In other cases, the department may send invoices or statements of amounts due, and track collections of those amounts in a standalone accounts receivable system. (For example, this would be the case in a typical municipal court.)

Generally, the more centralized a function is, the easier it is to design and implement accounting controls that provide some level of checks and balances. That is because you are able to divide certain tasks over the people available to achieve some segregation of duties. For those tasks that are decentralized, it is usually very difficult to provide for proper segregation of duties. Therefore, with one person being involved in most or all aspects of a transaction, you lose the ability to rely on the controls to achieve the safeguarding of assets and reliability of financial records.

As auditors, we are required to communicate with you on a variety of topics. Since there is now more emphasis on internal controls and management's responsibilities, we believe it is appropriate to make sure that you are informed about the lack of segregation of duties that may occur at departments or locations that handle cash or do miscellaneous billing. Examples in your City that fit this situation may include the following:

Municipal court
Recreation

Library

Police Department

As you might expect, similar situations are common in most governments.

As auditors, we are required to focus on the financial statements at a highly summarized level and our audit procedures support our opinion on those financial statements. Departments or locations that handle relatively smaller amounts of money are not the primary focus of our audit. Yet, because of the lack of segregation of duties, the opportunity for loss is higher there than in centralized functions that have more controls.

Because management is responsible for designing and implementing controls and procedures to detect and prevent fraud, we believe that is important for us to communicate this information to you. We have no knowledge of any fraud that has occurred or is suspected to have occurred within the departments mentioned above. However, your role as the governing body is to assess your risk areas and determine that the appropriate level of controls and procedures are in place. As always, the costs of controls and staffing must be weighed against the perceived benefits of safeguarding your assets.

Without adding staff or splitting up the duties, your own day-to-day contact and knowledge of the operation are also important mitigating factors.

INFORMATIONAL POINTS (cont.)

CYBER SECURITY

Cybersecurity continues to be a top concern and is critical for governments of all sizes and types. Information demands from the board and directors, citizens/customers, investors and analysts, and industry regulators continue to increase which makes it critical to ensure key data is protected. Potential business impacts on security incidents can include:

- > Lost IP
- > Business interruption
- > Regulatory fines and penalties
- > Legal and PR fees
- > Remediation costs
- > Reputation

AICPA has recently developed a cybersecurity risk management reporting framework that includes a new System and Organization Controls (SOC) for Cybersecurity engagement, through which the enterprise-wide cybersecurity risk management program is reviewed. Although not required for governments, this new standard can be used to help the City begin to put in place a cybersecurity program.

We recommend reviewing this new standard and performing an initial cyber-risk assessment to identify the types and location of data on your system as well as considering the sensitivity or potential regulations associated with your data. Once this is done the cybersecurity program objectives can be further defined so informed decisions can be made.

Our professionals are also available to assist with your cybersecurity questions, assessments, and programs.

RESOURCES FOR STATE AND LOCAL GOVERNMENT COUNCILS

Expectations and accountability are at all-time high and the knowledge required to be an effective Council member is substantial. As a benefit to our clients, we have compiled a number of resources dedicated to educating state and local government Council members. Go to our Council Governance Resource Center at www.bakertilly.com/Council-governance.

The Resource Center includes the following short informative videos:

1. Government financial statements 101
2. Understanding your government's fraud risk
3. Financial ratios and benchmarks
4. Fund balance and other financial policies
5. Benefits of a fraud risk assessment
6. Understanding utility finances

We encourage you to subscribe to our complimentary newsletter "Government Connection" to stay abreast of the latest issues impacting state and local governments. You can do so by clicking on the "subscribe" button and indicating "State and Local Government" as an area of interest on the subscription form. Also, if you or your Council members have suggested topics to feature on our Council Governance webpage or Government Connection newsletter, we invite you to submit your ideas in person or online.

INFORMATIONAL POINTS (cont.)

GASB UPDATES

The Government Accounting Standard Board (GASB) has been very active in recent years, issuing new standards at a fast pace. Over the next few years, your government will have many new standards to evaluate and implement. Here is a standard that may impact you the most in the upcoming year:

- > GASB 86 provides guidance for accounting for Certain Debt Extinguishment Issues

There were two significant GASB statements issued in 2017. While the implementation dates for these are a few years away, they are anticipated to have significant impacts on many government financial statements:

- > GASB 84 improves guidance regarding the identification of Fiduciary Activities and how they should be reported, effective for years ending December 31, 2019
- > GASB 87 improves accounting and financial reporting for Leases, effective for years ending December 31, 2020

Looking even further ahead, the Technical Agenda, below, outlines significant areas GASB is currently working on:

- > Major Projects
 - Financial Reporting Model
 - Revenue and Expense Recognition
- > Practice Issues
 - Capitalization of Interest Cost
 - Conduit Debt
 - Debt Disclosures
 - Equity Ownership Issues
 - Implementation Guidance
- > Pre-Agenda Research
 - Going Concern
 - Cloud Computing
 - Note Disclosure reexamination
 - Public-Private Partnerships
 - Social Impact Bonds

Through our firm involvement on AICPA committees, Baker Tilly follows these developments closely so that we can help you prepare for the changes as they evolve. This participation also allows us to share with GASB the experiences and perspectives of our clients to potentially influence the direction of future projects.

Full lists of projects, as well as many resources, are available on GASB's website which is located at www.gasb.org.

INFORMATIONAL POINTS (cont.)

UPCOMING LEASE STANDARD

In June 2017, the Governmental Accounting Standards Board (GASB) issued new guidance to establish a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. This standard is effective for fiscal years ending on or after December 31, 2020. Statement No. 87, *Leases*, requires recognition of certain lease assets and liabilities for leases that were previously classified as operating leases and recognize as inflows of resources or outflow of resources based on the payment provisions of the contract.

Under the new standard a lease is defined as a contract that conveys control of the right to use another entity's nonfinancial asset (underlying asset) as specified in the contract for a period of time in an exchange or exchange-like transaction. Control is defined by 1) the right to obtain the present service capacity from the use of the underlying asset and 2) the right to determine the nature and manner of use of the underlying asset. Any contract that meets this definition should be accounted for under the lease guidance, unless specifically excluded in this statement. Leases include contracts that, although not explicitly identified as leases, meet the above definition of a lease.

The following are contract exclusions and exceptions from applying lease accounting:

- > Intangible assets (mineral rights, patents, software, copyrights)
- > Biological assets (including timber, living plants, and living animals)
- > Service concession arrangements (See GASB Statement 60)
- > Assets financed with outstanding conduit debt unless both the asset and conduit debt are reported by lessor
- > Supply contracts (such as power purchase agreements that do not convey control of the right to use the underlying power generating facility)
- > Inventory
- > Short-term leases - max possible term 12 mo or less
- > Leases that transfer ownership and do not contain termination options
- > Leases of assets that are investments
- > Certain regulated leases (e.g., airport-airline agreements)

We recommend you review this standard and start planning how this will affect your financial reporting. An inventory of all contracts that might meet the definition of a lease should be started. The contract listing should include key terms of the contracts such as:

- > Description of contract
- > Underlying asset
- > Contract term
- > Options for extensions and terminations
- > Service components, if any
- > Dollar amount of lease

In addition, the City should begin to establish a lease policy to address the treatment of common lease types, including a dollar threshold for each lease. We are available to discuss this further and help you develop an action plan.

INFORMATIONAL POINTS (cont.)

INTERPRETING YOUR FINANCIAL STATEMENTS POST-GASB No. 75

You elected to implement GASB Statement No. 75, which requires your government as the employer providing OPEB benefits to report the net OPEB liability in your full accrual financial statements. These standards are intended to parallel GASB Statements No. 67 and 68 for pensions provided through trusts, which together provide for more overall consistency and comprehensive guidance for pensions and other post-employment benefits.

Previously, your government only reported a net OPEB liability to the extent that annual contributions fell short of the actuarially estimated annual OPEB cost. In addition, the actuarially estimated annual OPEB cost included a mechanism to recognize the initial OPEB liability at the implementation of GASB Statement No. 45 over an extended period of years. Under the new standards your government is required to report the net OPEB liability, which is the difference between the total OPEB liability determined by the actuary and the net position in the OPEB trust fund. There may also be OPEB-related deferred outflows and/or inflows due to the timing of benefit payments and to allow for smoothing of activity.

As of the December 31, 2017 measurement date used for your 2017 financial statements, the actuarially determined net OPEB liability for your OPEB plan is \$2,033,751 and is reported as a noncurrent liability.

OPEB activity under GASB Statement No. 75 is reported in the government-wide financial statements and proprietary fund financial statements, similar to long-term debt. The implementation of this new standard does not affect how you pay for or fund your OPEB benefits.

The accounting and reporting of OPEB has become more complex with the implementation of GASB Statement No. 75. We are available to answer any questions on how this new accounting standard affects your financial statements.

Preliminary Draft For Discussion Purposes

REQUIRED COMMUNICATIONS BY THE AUDITOR TO THOSE CHARGED WITH GOVERNANCE

Preliminary Draft
For Discussion Purposes Only

To the Mayor and Common Council
City of Franklin
Franklin, Wisconsin

Thank you for using Baker Tilly Virchow Krause, LLP as your auditor.

We have completed our audit of the financial statements of City of Franklin (the "City") for the year ended December 31, 2017 and have issued our report thereon dated May 8, 2018. This letter presents communications required by our professional standards.

OUR RESPONSIBILITY UNDER AUDITING STANDARDS GENERALLY ACCEPTED IN THE UNITED STATES OF AMERICA

The objective of a financial statement audit is the expression of an opinion on the financial statements. We conducted the audit in accordance with auditing standards generally accepted in the United States of America. These standards require that we plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements prepared by management with your oversight are free of material misstatement, whether caused by error or fraud. Our audit included examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. Our audit does not relieve management or the Common Council of their responsibilities.

As part of the audit we obtained an understanding of the entity and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing and extent of further audit procedures. The audit was not designed to provide assurance on internal controls or to identify deficiencies in internal control.

OTHER INFORMATION IN DOCUMENTS CONTAINING AUDITED FINANCIAL STATEMENTS

Our responsibility does not extend beyond the audited financial statements identified in this report. We do not have any obligation to and have not performed any procedures to corroborate other information contained in client prepared documents, such as official statements related to debt issues.

PLANNED SCOPE AND TIMING OF THE AUDIT

We performed the audit according to the planned scope and timing previously communicated to you in our Communication to Those Charged with Governance and Management dated April 25, 2017.

QUALITATIVE ASPECTS OF THE ENTITY'S SIGNIFICANT ACCOUNTING PRACTICES

Accounting Policies

Management is responsible for the selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we will advise management about the appropriateness of accounting policies and their application. The significant accounting policies used by the City are described in Note 1 to the financial statements. As described in Note 1.B. to the financial statements, the City changed accounting policies related to financial reporting for its postemployment benefits trust fund by adopting GASB Statement No. 74 – *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans* and postemployment benefits other than pensions by adopting GASB Statement No. 75 – *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* in 2017. We noted no transactions entered into by the City of Franklin during the year that were both significant and unusual, and of which, under professional standards, we are required to inform you, or transactions for which there is a lack of authoritative guidance or consensus.

Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements are:

- > Management's estimate of allowance for ambulance doubtful accounts is based on historical collection rates, days outstanding, and an analysis of the collectivity of individual accounts.
- > Management's estimates of the Wisconsin Retirement System net pension liability and the deferred outflows and deferred inflows related to pensions which impact the reported pension expense are based on information provided by the Wisconsin Retirement System.
- > Management's estimates of the City of Franklin Defined Benefit Retirement Income Plan net pension liability and the deferred outflows and deferred inflows related to pensions which impact the reported pension expense are based on information provided by Principal Financial Group.
- > Management's estimates of post-employment health care benefits is based on information provided by Actuarial & Health Care Solutions, LLC.

We evaluated the key factors and assumptions used to develop these estimates in determining that they are reasonable in relation to the financial statements taken as a whole.

Financial Statement Disclosures

The disclosures in the notes to the financial statements are neutral, consistent, and clear.

DIFFICULTIES ENCOUNTERED IN PERFORMING THE AUDIT

We encountered no difficulties in dealing with management in performing our audit.

To the Mayor and Common Council
City of Franklin
Franklin, Wisconsin

CORRECTED AND UNCORRECTED MISSTATEMENTS

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management.

A summary of uncorrected financial statement misstatements follows this required communication. Management has determined that their effects are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually, or in the aggregate, to the financial statements taken as a whole.

DISAGREEMENTS WITH MANAGEMENT

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

CONSULTATION WITH OTHER INDEPENDENT ACCOUNTANTS

In some cases, management may decide to consult with other accountants about auditing and accounting matters. If a consultation involves application of an accounting principle to the governmental unit's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

MANAGEMENT REPRESENTATIONS

We have requested certain representations from management that are included in the management representation letter. This letter follows this required communication.

INDEPENDENCE

We are not aware of any relationships between Baker Tilly Virchow Krause, LLP and the City that, in our professional judgment, may reasonably be thought to bear on our independence.

Relating to our audit of the financial statements of the City of Franklin for the year ended December 31, 2017, Baker Tilly Virchow Krause, LLP hereby confirms that we are, in our professional judgment, independent with respect to the City in accordance with the Code of Professional Conduct issued by the American Institute of Certified Public Accountants. We provided no services to the City other than audit services provided in connection with the audit of the current year's financial statements and the following nonaudit services which in our judgment do not impair our independence.

- > Compiled regulatory reports
- > Financial statement preparation assistance

None of these nonaudit services constitute an audit under generally accepted auditing standards, including *Government Auditing Standards*.

To the Mayor and Common Council
City of Franklin
Franklin, Wisconsin

OTHER AUDIT FINDINGS OR ISSUES

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the City's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

OTHER MATTERS

We applied certain limited procedures to the required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on the supplementary information which accompanies the financial statements but is not RSI. With respect to the supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

We were not engaged to report on the other information, which accompanies the financial statements but are not RSI. We did not audit or perform other procedures on this other information and we do not express an opinion or provide any assurance on it.

RESTRICTION ON USE

This information is intended solely for the use of the Common Council and management and is not intended to be, and should not be, used by anyone other than these specified parties.

We welcome the opportunity to discuss the information included in this letter and any other matters. Thank you for allowing us to serve you.

Milwaukee, Wisconsin
May 8, 2018

SUMMARY OF UNCORRECTED FINANCIAL STATEMENT MISSTATEMENTS

Preliminary Draft
For Discussion Purposes Only

CITY OF FRANKLIN
SUMMARY OF UNCORRECTED FINANCIAL STATEMENT MISSTATEMENTS

As of and for the Year Ended December 31, 2017

		Financial Statements Effect - Increase (Decrease) to Financial Statement Totals						Change in Net Position/ Fund Balances	
		Current Assets	Noncurrent Assets	Total Assets/ Deferred Outflows	Current Liabilities	Total Liabilities/ Deferred Inflows	Total Net Position/ Fund Balances	Total Expenses/ Expenditures	
Water Utility Sanitary Sewer Utility	Current Assets	\$ -	\$ (172,725)	(172,725)	\$ -	\$ -	\$ (172,725)	\$ (130,666)	\$ 130,666
		82,127	-	82,127	-	-	82,127	(47,768)	42,903

Preliminary Draft
For Discussion Purposes

MANAGEMENT REPRESENTATIONS

Preliminary Draft
For Discussion Purposes Only

May 8, 2018

Baker Tilly Virchow Krause, LLP
777 E Wisconsin Ave
32nd Floor
Milwaukee, WI 53202

Dear Baker Tilly Virchow Krause, LLP:

We are providing this letter in connection with your audit of the financial statements of the City of Franklin as of December 31, 2017 and for the year then ended for the purpose of expressing opinions as to whether the financial statements present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Franklin and the respective changes in financial position and cash flows, where applicable, in conformity with accounting principles generally accepted in the United States of America. We confirm that we are responsible for the fair presentation of the previously mentioned financial statements in conformity with accounting principles generally accepted in the United States of America. We are also responsible for adopting sound accounting policies, establishing and maintaining internal control over financial reporting, and preventing and detecting fraud.

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in the light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

We confirm, to the best of our knowledge and belief, the following representations made to you during your audit.

Financial Statements

1. We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter.
2. The financial statements referred to above are fairly presented in conformity with accounting principles generally accepted in the United States of America and include all properly classified funds and other financial information of the primary government required by accounting principles generally accepted in the United States of America to be included in the financial reporting entity.
3. We acknowledge our responsibility for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.
4. We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
5. Significant assumptions we used in making accounting estimates, if any, are reasonable.
6. Related party relationships and transactions, including revenues, expenditures/expenses, loans, transfers, leasing arrangements, and guarantees, and amounts receivable from or payable to related parties have been appropriately accounted for and disclosed in accordance with the requirements of accounting principles generally accepted in the United States of America.

7. All events subsequent to the date of the financial statements and for which accounting principles generally accepted in the United States of America require adjustment or disclosure have been adjusted or disclosed. No other events, including instances of noncompliance, have occurred subsequent to the balance sheet date and through the date of this letter that would require adjustment to or disclosure in the aforementioned financial statements.
8. All material transactions have been recorded in the accounting records and are reflected in the financial statements.
9. We believe the effects of the uncorrected financial statement misstatements summarized in the attached schedule are immaterial, both individually and in the aggregate, to the basic financial statements as a whole. In addition, you have recommended adjusting journal entries, and we are in agreement with those adjustments.
10. There are no known or possible litigation, claims, and assessments whose effects should be considered when preparing the financial statements. There are no unasserted claims or assessments that our lawyer has advised us are probable of assertion and must be disclosed in accordance with accounting principles generally accepted in the United States of America.
11. Guarantees, whether written or oral, under which the City is contingently liable, if any, have been properly recorded or disclosed.

Information Provided

12. We have provided you with:
 - a. Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements, such as financial records and related data, documentation, and other matters.
 - b. Additional information that you have requested from us for the purpose of the audit.
 - c. Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
 - d. Minutes of the meetings of Common Council or summaries of actions of recent meetings for which minutes have not yet been prepared.
13. We have not completed an assessment of the risk that the financial statements may be materially misstated as a result of fraud.
14. We have no knowledge of any fraud or suspected fraud that affects the entity and involves:
 - a. Management,
 - b. Employees who have significant roles in internal control, or
 - c. Others where the fraud could have a material effect on the financial statements.
15. We have no knowledge of any allegations of fraud or suspected fraud affecting the entity received in communications from employees, former employees, regulators, or others.
16. We have no knowledge of known instances of noncompliance or suspected noncompliance with provisions of laws, regulations, contracts, or grant agreements, or abuse, whose effects should be considered when preparing financial statements.
17. We have disclosed to you all known related parties and all the related party relationships and transactions of which we are aware.

Other

18. There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.
19. We have identified to you any previous financial audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.
20. The City has no plans or intentions that may materially affect the carrying value or classification of assets, liabilities, or equity.
21. We are responsible for compliance with federal, state, and local laws, regulations, and provisions of contracts and grant agreements applicable to us, including tax or debt limits, debt contracts, and IRS arbitrage regulations; and we have identified and disclosed to you all federal, state, and local laws, regulations and provisions of contracts and grant agreements that we believe have a direct and material effect on the determination of financial statement amounts or other financial data significant to the audit objectives, including legal and contractual provisions for reporting specific activities in separate funds.
22. There are no:
 - a. Violations or possible violations of budget ordinances, federal, state, and local laws or regulations (including those pertaining to adopting, approving and amending budgets), provisions of contracts and grant agreements, tax or debt limits, and any related debt covenants whose effects should be considered for disclosure in the financial statements or as a basis for recording a loss contingency, or for reporting on noncompliance, except those already disclosed in the financial statement, if any.
 - b. Other liabilities or gain or loss contingencies that are required to be accrued or disclosed by accounting principles generally accepted in the United States of America.
 - c. Nonspendable, restricted, committed, or assigned fund balances that were not properly authorized and approved.
 - d. Rates being charged to customers other than the rates as authorized by the applicable authoritative body.
 - e. Violations of restrictions placed on revenues as a result of bond resolution covenants such as revenue distribution or debt service funding.
23. In regards to the nonattest services performed by you listed below, we have 1) accepted all management responsibility; 2) designated an individual with suitable skill, knowledge, or experience to oversee the services; 3) evaluated the adequacy and results of the services performed, and 4) accepted responsibility for the results of the services:
 - a. Compiled regulatory reports
 - b. Financial statement preparation assistance

None of these nonattest services constitute an audit under generally accepted auditing standards, including *Government Auditing Standards*.
24. The City of Franklin has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.
25. The City of Franklin has complied with all aspects of contractual agreements that would have a material effect on the financial statement in the event of noncompliance.

26. The financial statements include all component units as well as joint ventures with an equity interest, and properly disclose all other joint ventures and other related organizations, if any. Component units have been properly presented as either blended or discrete.
27. The financial statements properly classify all funds and activities.
28. All funds that meet the quantitative criteria in GASB Statement No. 34 and No. 37 for presentation as major are identified and presented as such and all other funds that are presented as major are particularly important to financial statement users.
29. Components of net position (net investment in capital assets; restricted; and unrestricted) and components of fund balance (nonspendable, restricted, committed, assigned and unassigned) are properly classified and, if applicable, approved.
30. The City of Franklin has no derivative financial instruments such as contracts that could be assigned to someone else or net settled, interest rate swaps, collars or caps.
31. Provisions for uncollectible receivables, if any, have been properly identified and recorded.
32. Expenses have been appropriately classified in or allocated to functions and programs in the statement of activities, and allocations have been made on a reasonable basis.
33. Revenues are appropriately classified in the statement of activities within program revenues and general revenues.
34. Interfund, internal, and intra-entity activity and balances have been appropriately classified and reported.
35. Deposits and investments are properly classified, valued, and disclosed (including risk disclosures, collateralization agreements, valuation methods, and key inputs, as applicable).
36. Provision, when material, has been made to reduce excess or obsolete inventories to their estimated net realizable value.
37. Capital assets, including infrastructure and intangible assets, are properly capitalized, reported, and, if applicable, depreciated/amortized. Any known impairments have been recorded and disclosed.
38. Tax-exempt bonds issued have retained their tax-exempt status.
39. We have appropriately disclosed the City of Franklin's policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position are available and have determined that net position were properly recognized under the policy. We have also disclosed our policy regarding which resources (that is, restricted, committed, assigned or unassigned) are considered to be spent first for expenditures for which more than one resource classification is available.
40. We acknowledge our responsibility for the required supplementary information (RSI). The RSI is measured and presented within prescribed guidelines and the methods of measurement and presentation have not changed from those used in the prior period. We have disclosed to you any significant assumptions and interpretations underlying the measurement and presentation of the RSI.

41. With respect to the supplementary information, (SI):

- a. We acknowledge our responsibility for presenting the SI in accordance with accounting principles generally accepted in the United States of America, and we believe the SI, including its form and content, is fairly presented in accordance with accounting principles generally accepted in the United States of America. The methods of measurement and presentation of the SI have not changed from those used in the prior period, and we have disclosed to you any significant assumptions or interpretations underlying the measurement and presentation of the supplementary information.
- b. If the SI is not presented with the audited financial statements, we will make the audited financial statements readily available to the intended users of the supplementary information no later than the date we issue the supplementary information and the auditor's report thereon.

42. We assume responsibility for, and agree with, the findings of specialists in evaluating the post-employment health care benefits and have adequately considered the qualifications of the specialists in determining the amounts and disclosures used in the financial statements and underlying accounting records. We did not give or cause any instructions to be given to specialists with respect to the values or amounts derived in an attempt to bias their work, and we are not otherwise aware of any matters that have had impact on the independence or objectivity of the specialists.

43. We agree with the restatement presented in the current year's financial statements.

44. We assume responsibility for, and agree with, the information provided by the Wisconsin Retirement System as audited by the Legislative Audit Bureau relating to the net pension asset/liability and related deferred outflows and deferred inflows and have adequately considered the reasonableness of the amounts and disclosures used in the financial statements and underlying accounting records. We also assume responsibility for the census data that has been reported to the plan.

45. We have evaluated and considered all potential tax abatements and believe all material tax abatements have been properly reported and disclosed.

46. We have implemented GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other than Pension Plans* and GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*, and believe that all liabilities, deferred outflows and deferred inflows have been identified and properly classified in the financial statements and any other required classifications and RSI have been computed in compliance with these Standards.

47. We are responsible for the estimation methods and assumptions used in measuring assets and liabilities reported or disclosed at fair value, including information obtained from brokers, pricing services or third parties. Our valuation methodologies have been consistently applied from period to period. The fair value measurements reported or disclosed represent our best estimate of fair value as the measurement date in accordance with the requirements of GASB 72 – *Fair Value Measurement*. In addition our disclosures related to fair value measurements are consistent with the objectives outlined in GASB 72. We have evaluated the fair value information provided to us by brokers, pricing services or other parties that has been used in the financial statements and believe this information to be reliable and consistent with the requirements.

48. We assume responsibility for, and agree with, the information provided by Principal Financial Group related to the City of Franklin Defined Benefit Retirement Income Plan net pension asset/liability and related deferred outflows and deferred inflows and have adequately considered the reasonableness of the amounts and disclosures used in the financial statements and underlying accounting records. We also assume responsibility for the census data that has been reported to the plan.

Sincerely,

City of Franklin

Signed: _____
Steve Olson, Mayor

Signed: _____
Paul Rotzenberg, Director of Finance and Treasurer

Preliminary Draft
For Discussion Purposes Only



CITY OF FRANKLIN, WISCONSIN

COMPREHENSIVE ANNUAL FINANCIAL REPORT

AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2017

*Preliminary Draft
For Discussion Purposes Only*

**PREPARED BY THE
DEPARTMENT OF FINANCE**

DIRECTOR OF FINANCE & TREASURER

PAUL ROTZENBERG, CPA

Preliminary Draft
For Discussion Purposes Only

CITY OF FRANKLIN, WISCONSIN

TABLE OF CONTENTS As of and for the Year Ended December 31, 2017

INTRODUCTORY SECTION

	Exhibit	Page
Transmittal Letter		1
Organization Chart		6
List of Principal Officials		7
GFOA Certificate of Achievement		8

FINANCIAL SECTION

Independent Auditors' Report		9
Management's Discussion and Analysis (Required Supplementary Information)		12
Basic Financial Statements		
Government-wide Financial Statements:		
Statement of Net Position	A	26
Statement of Activities	B	27
Fund Financial Statements:		
Balance Sheet – Governmental Funds	C	28
Statement of Revenue, Expenditures and Changes in Fund Balances – Governmental Funds	D	30
Reconciliation of the Statement of Revenue, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	E	31
General Fund – Statement of Revenue, Expenditures and Changes in Fund Balances – Budget and Actual (on a Budgetary Basis)	F	32
Statement of Net Position – Proprietary Funds	G	33
Statement of Revenue, Expenses and Changes in Fund Net Position – Proprietary Funds	H	35
Statement of Cash Flows – Proprietary Funds	I	36
Statement of Fiduciary Net Position – Fiduciary Funds	J	38
Statement of Changes in Fiduciary Net Position – Fiduciary Funds	K	39
Notes to Financial Statements		40
Required Supplementary Information		
Schedule of Proportionate Share of the Net Pension Liability (Asset) – Wisconsin Retirement System		89
Schedule of Employer Contributions – Wisconsin Retirement System		89
Schedule of Changes in Net Pension Liability and Related Ratios – City of Franklin Defined Benefit Retirement Income Plan		90
Schedule of Contributions – City of Franklin Defined Benefit Retirement Income Plan		91
Schedule of Changes in Net OPEB Liability and Related Ratios – OPEB Plan		92
Schedule of Contributions – OPEB Plan		93
Notes to Required Supplementary Information		94

CITY OF FRANKLIN, WISCONSIN

TABLE OF CONTENTS

As of and for the Year Ended December 31, 2017

FINANCIAL SECTION (CONTINUED)

Supplementary Information:

	<u>Schedule</u>	<u>Page</u>
Combining Balance Sheet – Nonmajor Governmental Funds	1	95
Combining Schedule of Revenue, Expenditures and Changes in Fund Balances – Nonmajor Governmental Funds	2	97
Schedule of Revenue and Transfers In – Budget and Actual (on a Budgetary Basis) – General Fund	3	99
Schedule of Expenditures and Transfers Out – Budget and Actual (on a Budgetary Basis) – General Fund	4	101
Schedule of Revenue, Expenditures and Changes in Fund Balances – Budget and Actual – Debt Service Fund	5	103
Schedule of Revenue, Expenditures and Changes in Fund Balances – Budget and Actual (on a Budgetary Basis) – Special Revenue Funds	6	104
Schedule of Revenue, Expenditures and Changes in Fund Balances – Budget and Actual (on a Budgetary Basis) – Capital Projects	7	108
Combining Schedule of Changes in Assets and Liabilities – Agency Funds	8	111
TIF Districts Fund – Combining Balance Sheet	9	112
TIF Districts Fund – Combining Schedule of TIF Districts Revenue, Expenditures And Changes in Fund Balances	10	113
TIF Districts Fund – Schedule of Revenue, Expenditures and Changes in Fund Balances – Budget and Actual (on a Budgetary Basis)	11	114
Capital Assets Used in the Operation of Governmental Funds:		
Schedule by Source	12	116
Schedule by Function and Activity	12.1	117
Schedule of Changes by Function and Activity	12.2	118

CITY OF FRANKLIN, WISCONSIN

TABLE OF CONTENTS
As of and for the Year Ended December 31, 2017

STATISTICAL SECTION		
	<u>Table</u>	<u>Page</u>
Net Position by Component – Last Ten Years	1	119
Changes in Net Position – Last Ten Years	2	120
Fund Balances, Governmental Funds – Last Ten Years	3	122
Changes in Fund Balances, Governmental Funds – Last Ten Years	4	123
Assessed Value and Estimated Actual Value of Taxable Property – Last Ten Years	5	124
Estimated Actual Values and TID Values	5A	125
Estimated Actual Property Value and Construction Data – Last Ten Years	6	126
Direct and Overlapping Property Tax Rates – Last Ten Years	7	127
Principal Property Taxpayers – Current Year and Nine Years Ago	8	128
Property Tax Levies and Collections – Last Ten Years	9	129
Property Tax Levies by Tax Jurisdiction – Last Ten Years	10	130
Ratios of Net General Bonded Debt Outstanding – Last Ten Years	11	131
Schedule of Direct and Overlapping Debt	12	132
Computation of Legal Debt Margin – Last Ten Years	13	133
Demographic and Economic Statistics – Last Ten Years	14	134
Principal Employers – Current Year and Nine Years ago	15	135
Full-time Equivalent City Government Employees by Function – Last Ten Years	16	136
Operating Indicators by Function/Program – Last Ten Years	17	137
Capital Asset Statistics by Function/Program – Last Ten Years	18	138

This page intentionally blank

Preliminary Draft
For Discussion Purposes Only

INTRODUCTORY SECTION

Preliminary Draft
For Discussion Purposes Only

This page intentionally blank

Preliminary Draft
For Discussion Purposes Only

May 8, 2018

Citizens of Franklin, Honorable Mayor and Common Council members:

Introduction

The Comprehensive Annual Financial Report of the City of Franklin, Wisconsin for the fiscal year ended December 31, 2017, is hereby submitted. State law requires that all local governments with a population over 25,000 publish a complete set of financial statements that are presented in conformity with general accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants.

This report consists of management's representations concerning the finances of the City of Franklin (City). Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of the City has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh the benefits, the City's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included in this report.

The City's financial statements have been audited by Baker Tilly Virchow Krause, LLP, a firm of certified public accountants experienced in auditing governmental entities. The goal of the independent audit is to provide reasonable assurance that the financial statements of the City for the fiscal year ended December 31, 2017, are free of material misstatement. The independent audit involves examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The City early adopted GASB 74 and 75 related to OPEB liabilities as of January 1, 2017. Baker Tilly Virchow Krause, LLP concluded, based upon the audit, that there was reasonable basis for rendering an unqualified opinion that the City's financial statements for the fiscal year ended December 31, 2017, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

GAAP requires that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City's MD&A can be found immediately following the report of the independent auditors.

City Profile

The City of Franklin, incorporated in 1956, is located in the southwestern corner of Milwaukee County. The City is 34.5 square miles in size and has a population of 36,046. Over the last ten years the City has experienced an average annual population increase of 0.1% per year. The city is a residential community (75.2%) with a commercial and industrial component (24.8%). Median Family Income of \$95,302 is 140% of the national average. Approximately one third of the acreage in the City is undeveloped, which demands attention to growth issues. It is considered to be one of the more desirable communities in the Milwaukee metropolitan area in which to live and work. The City provides a typical range of municipal services for a suburban community including police, fire protection, emergency medical/paramedic, maintenance of streets and other infrastructure, library, public health services, recreational activities, building inspection, zoning control, refuse collection, recycling collection, sanitary sewer, storm sewer and water services, both construction and maintenance. The City is authorized to levy property tax on real and personal property located within its boundaries to support the services provided.

The City operates under the mayor/council form of government. Policy making and legislative authority are vested in a governing council consisting of a mayor and six council members. The governing council is responsible, among other things, for passing ordinances, adopting the budget, appointing committees and hiring management. The City's Mayor is responsible for carrying out the policies and ordinances of the governing council, for overseeing the day-to-day operations of the government and for appointing the heads of the various departments. The Council is elected by district, on a non-partisan basis. The Mayor and Council members serve staggered three-year terms. The City is organized into departments, headed by ten officials appointed by the Mayor or Director of Administration and confirmed by the Common Council. Numerous boards, commissions and committees allow for citizen involvement in government by providing a forum for policy input to the Council and guidance to the departments. Library service is provided through a separate Library Board that functions like a department of the City and engages the Library Director. Water service is provided through a separate Water Utility that functions like a department of the City. The Water Utility also has a Board of Water Commissioners which oversees water utility operations. These two areas therefore have been included as an integral part of the City's financial statements. The City also is financially accountable for a legally separate Community Development Authority (Authority). The Authority's activities are reported within the City's financial statements. Additional information on the Authority can be found in Note 1 in the notes to the financial statements.

The budgetary process serves as the foundation of the City's financial planning and control system. The objective of the budgetary process is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the Common Council. The preparation of a forecast for the existing programs for the following year is prepared during July and August. Departmental requests for personnel changes and new capital outlay expenditures are made by the middle of August. The Mayor then reviews the forecast including recommended personnel and capital expenditures and determines by mid- August the personnel and capital expenditures that will be included in the initial departmental requested budgets. The departments take this information and submit their requested budgets by the end of August. The budgets are reviewed and the Mayor submits his recommended budget by the middle of September. The Council reviews the recommended budget and agrees on a proposed budget by mid-October. The Council is required to hold a public hearing on the proposed budget in early November, and then adopts a final budget in mid-November. The adopted budget is prepared by fund, function (e.g. Public Safety), and

department (e.g. Police). Transfers of appropriations between funds, functions or department require the approval of the governing council. Budget-to-actual comparisons are provided in this report for each larger governmental fund with an adopted budget. The General Fund comparison is presented in Exhibit F as part of the basic financial statements for the governmental funds and in Schedules 3 & 4 of the supplementary information. For governmental funds other than the General Fund with adopted budgets, this comparison is presented in the supplementary information section of this report.

The information presented in the financial statements is perhaps best understood when considered from the broader perspective of the environment that the City operates.

Economic Condition and Outlook

The economic activity in Franklin in both the residential and the non-residential sectors was stable. New construction was marginally elevated in 2017 compared to 2016, as evidenced by increased construction permit revenues. Prospects in 2018 for residential, commercial and industrial development are anticipated to be meaningfully higher.

Estimated actual property values have grown at an average annual rate of (0.01)% since 2008. The new growth was \$19 million in 2017, \$23 million in 2016, and \$33.7 million in 2015. 2018 growth is expected to be in the \$20 to \$30 million dollar range reflecting the level of economic activity. This growth has allowed the City to maintain a relatively low municipal tax rate while still funding the increased cost of services required as a result of the City's growth.

Residential Growth

Over the past ten years, residential valuation has stagnated, rising just .03%. The recession of 2008 had longer impacts than many expected. The development activity increased in 2017, with several large developments in various stages of approval. Longer range, the City has the most developable land in the County and anticipates new subdivisions as economic activity increases again.

Commercial and Industrial Growth

Over the past ten years, commercial and industrial valuation has decreased at an average annual rate of (0.22) %.

In 2005, two TIF Districts (#3 & #4) were established on the eastern side of the City. The two districts have equalized value tax increments of \$62 and \$47 million, respectively. In 2016, a new District #5 was established to aid the Ballpark Commons project. A Developers agreement was signed in Q1 2018. The project projects \$100+ million in new taxable development.

Expansion of the commercial and industrial tax base is a goal of the City with respect to the overall tax rate. Currently 75.2% of the City's property value is residential compared to 74.9% ten years ago. Future tax relief will need to come from industrial and commercial tax base expansion.

Organizational and Service Growth

2017 was a year where overall revenue of \$33.7 million fell 2.9% compared to last year. The decrease was the result of reduced TID revenues and development activity.

2017 was a revaluation year. The last reassessment was done in 2010. A re-valuation was completed in 2013 and 2016. Performing revaluations on a regular basis is in line with the

Common Council policy to schedule a revaluation every three years to keep property values in line with current market values. The State determined that the local assessment, after reassessment, was 99.1% of fair value. The estimated actual value of City properties was approximately \$3.8 billion. The City recently rose to the third largest city in Milwaukee County based upon equalized value. While the local tax levy remained unchanged, for the fifth year, individual property owners experienced tax changes based upon the shift of values between property classes.

The challenge for the operating departments in 2017 was to continue to maintain service levels at a time of flat revenues and growth of 0.63% in new property base.

One threat the City faces is the challenge by larger retail property owners of assessed values. Should that group be successful in reducing their assessed values, the tax burden shifts to other property owners.

Internal Controls

The City's internal control structure is subject to ongoing evaluation by management. The City is responsible for ensuring that an adequate internal control structure is in place to ensure compliance with laws, regulations and good financial policies. The results of the City's audit for the fiscal year ended December 31, 2017 provided no instances of material weaknesses in the internal control structure or significant violations of applicable laws or regulations.

As a recipient of federal and state financial assistance, if the level of grant expenditures exceeds an established level, currently \$750,000, a single audit of grants is required. The City was not required to have a single audit of grants in 2017.

Financial Planning

Long range financial planning is in place, especially for the capital funds and debt service funds, to ensure that resources are in place to meet committed projects, that there is adequate funding for projects prior to their approval, and that adequate funding is in place for debt that has been or will be incurred, with an appropriate plan for repayment.

Financial Policies

The City maintains policies on fund balance level, debt levels and term, investment policies, budget forecasting policy and a capitalization policy. The City also takes advantage of policies that has new development to finance infrastructure needs caused by the new development via special assessments and impact fees. Conservative management and the enumerated policies above have served the City well. The existence of a fund balance enabled the fund balance to be utilized in 2009 during the revenue decline and replenished in 2010 and 2011 when revenue stabilized. In 2016, a 2001 debt offering was refunded for the second time to take advantage of declining interest rates, with a savings of \$390,000 over its remaining life. Debt Service planning has permitted a steadily declining Debt Service levy since 2008.

Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its Comprehensive Annual Financial Report (CAFR) for the year ended December 31, 2016. The Certificate of Achievement is a prestigious national award recognizing conformance

Mayor, Common Council and Citizens
May 8, 2018

with the highest standards for preparation of state and local government financial reports. This was the 24rd consecutive year that the City has received this award.

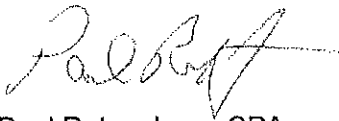
In order to be awarded a Certificate of Achievement, the City must publish an easily readable and efficiently organized CAFR whose contents conform to program standards. Such report must satisfy both accounting principles generally accepted in the United States of America and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year. We believe that our current CAFR continues to meet the Certificate of Achievement Program's requirements. We will be submitting the CAFR to the GFOA to determine its eligibility for a 2017 Certificate.

Acknowledgments

Preparation of this report on a timely basis could not have been accomplished without the efficient and dedicated services of the Finance Department staff. Appreciation is also extended to all other City employees who contributed to its preparation. Thanks are also extended to the Mayor, Common Council, and Finance Committee for their interest and support in planning and conducting the financial operations of the City in a responsible manner.

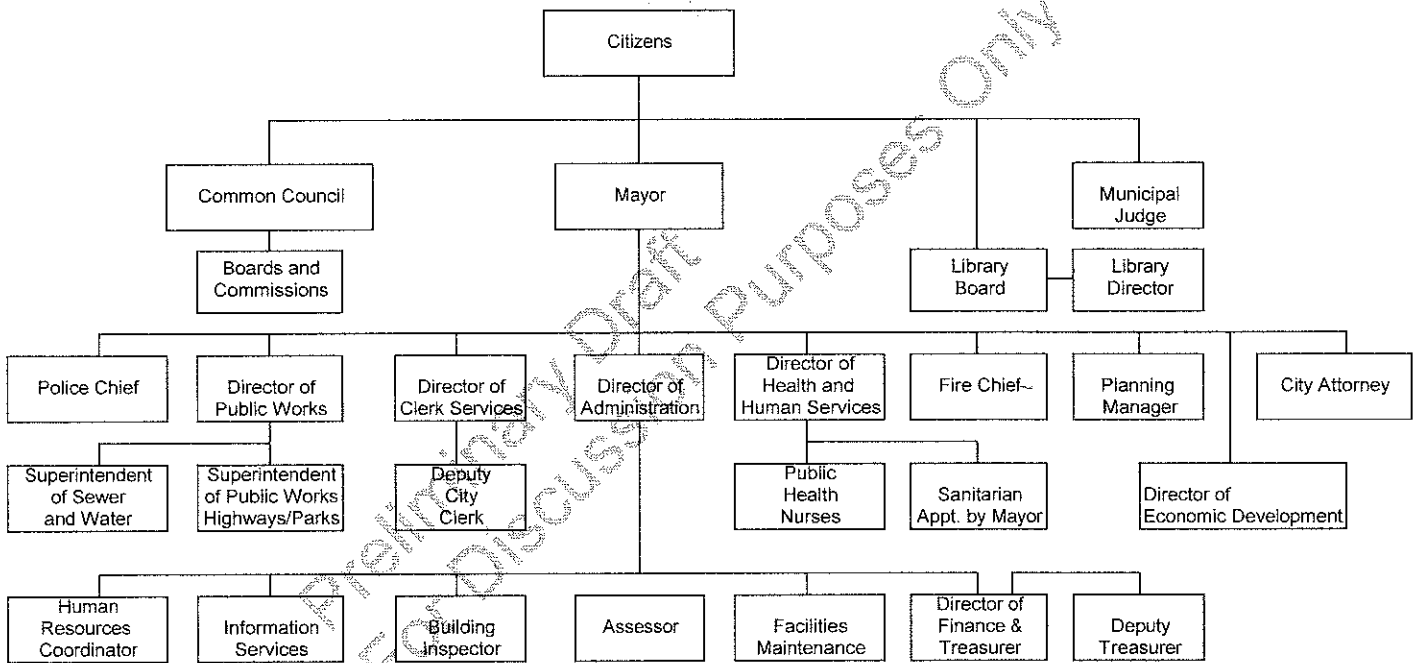
Respectfully submitted,



Paul Rotzenberg, CPA
Director of Finance & Treasurer

Preliminary Draft
For Discussion Purposes Only

**CITY OF FRANKLIN, WISCONSIN
Organization Chart**



**CITY OF FRANKLIN, WISCONSIN
LIST OF PRINCIPAL OFFICIALS**

Elected Officials

<u>Title</u>	<u>Name</u>
Mayor	Stephen R Olson
Aldermen:	
District No. 1	Mark Dandrea
District No. 2	Daniel M Mayer
District No. 3	Kristen Wilhelm
District No. 4	Steve F Taylor
District No. 5	Mike Barber
District No. 6	John Nelson
Municipal Judge	Fred F Klimetz

Non-elected Officials

Assessor	Mark Link
Building Inspector	Fred Baumgart
City Attorney	Jesse Wesolowski
City Clerk	Sandi Wesolowski
City Engineer/Public Works Director	Glen Morrow
Director of Administration	Mark Lubarda
Director of Economic Development	Aaron Hertzberg
Director of Finance & Treasurer	Paul Rotzenberg
Director of Health & Human Services	Bill Wucherer
Fire Chief	Adam Remington
Human Resources Coordinator	Dana Zahn
Information Services Manager	James Matelski
Library Director	Jennifer Loeffel
Planning Manager	Joel Dietl
Police Chief	Rick Oliva
Superintendent of Public Works	Jerry Schaefer
Superintendent of Sewer & Water	Mike Roberts



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

City of Franklin
Wisconsin

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2016

Christopher P. Morrell

Executive Director/CEO

FINANCIAL SECTION

Preliminary Draft
For Discussion Purposes Only

This page intentionally blank

Preliminary Draft
For Discussion Purposes Only

INDEPENDENT AUDITORS' REPORT

To the Mayor and Common Council
City of Franklin
Franklin, Wisconsin

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Franklin, Wisconsin, as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the City of Franklin's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the City of Franklin's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the City of Franklin's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

To the Mayor and Common Council
City of Franklin

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Franklin, Wisconsin, as of December 31, 2017 and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note I, the City of Franklin adopted the provisions of GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, effective January 1, 2017. Our opinions are not modified with respect to this matter.

As discussed in Note I, the City of Franklin adopted the provisions of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, effective January 1, 2017. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the required supplementary information as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Franklin's basic financial statements. The supplementary information as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated in all material respects, in relation to the basic financial statements as a whole.

To the Mayor and Common Council
City of Franklin

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Franklin's basic financial statements. The Introductory Section and Statistical Section are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Prior-Year Comparative Information

We have previously audited the City of Franklin's 2016 financial statements, and we expressed unmodified audit opinions on the respective financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information in our report dated April 25, 2017. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2016, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Milwaukee, Wisconsin
May 8, 2018

Preliminary Draft
For Discussion Purposes Only

This page intentionally blank

Preliminary Draft
For Discussion Purposes Only

**City of Franklin, Wisconsin
Management's Discussion and Analysis
(Unaudited)**

As management of the City of Franklin (City), the following offers readers of the City's financial statements an overview and analysis of the financial activities of the City for the fiscal year ended December 31, 2017. Readers are encouraged to consider this information in conjunction with additional information contained in the letter of transmittal, which can be found on pages 1-5 of this report.

Financial Highlights

- The assets of the City exceeded its liabilities as of December 31, 2017, by \$248,574,088 (**net position**). Of this amount, \$15,637,898 (**unrestricted net position**) may be used to meet the government's ongoing obligations to citizens and creditors.
- The City's total net position increased by a net amount of \$1,977,323 (excluding the prior period adjustment for the OPEB Net Position). Net investment in capital assets increased by \$3,512,441, while unrestricted net position decreased by \$2,754,566 and restricted net position decreased by \$1,122,820. The increase in investment in capital assets was related to capital asset additions offset by debt payments, net of unspent bond proceeds and accumulated depreciation. The largest net asset addition was a jurisdictional transfer to the City of W St. Martin's Road from Milwaukee County. The unrestricted decrease was the result of the GASB 75 related to OPEB Net Obligations.
- The City's governmental funds reported, as of December 31, 2017, combined ending fund balances of \$23,438,415, an increase of \$401,952 from the prior year. The primary reasons were the collection of Advances from the Sewer Fund used partially to make a \$605,000 extraordinary payment to the Public Works Pension plan and the proceeds of a \$1.63 million note issuance.
- The Nonspendable fund balances are \$247,198, a decrease of \$2,049,034 due to the collection of the Sewer Fund Advance.
- The restricted fund balances in total are \$10,322,090, an increase of \$591,794, which resulted from the new Tourism Commission fund collection of hotel taxes totaling \$211,793 and net collections in the Development and Utility Development funds.
- The assigned fund balances in total of \$6,897,179 has an increase of \$1,151,028 related to the sale of \$1.63 million in new notes.
- The unassigned fund balance as of December 31, 2017 for the General Fund was \$6,190,398. This represents approximately 23.8 percent of total anticipated 2018 General Fund expenditures. The unassigned fund balance increased by \$708,164 was the result the collection of the \$2.2 Sewer advance net of the \$1.1 million deficit in 2017.
- The City's Governmental activities debt decreased a net \$1.4 million from scheduled repayments. See table 11 for complete debt activity details. A new \$1.63 million note was issued in December, 2017 for the 2018 Capital Improvement program to preserve levy increases under the State Levy Limits.
- The City's Business type activities generated a \$2.15 million loss, most of which is depreciation on contributed assets and the Ryan Creek Sanitary Interceptor sewer.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the City's basic financial statements. These basic financial statements are comprised of three components 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report

also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements

The government-wide financial statements are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business. The statement of net position presents information on all of the City's assets, deferred outflows, liabilities and deferred inflows, with the difference between the categories reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating. Table 1 provides a ten year history of Net Position.

The statement of activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenue and expenditures are reported in this statement for some items that will result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation and sick leave). Table 2 provides a ten year history of the statement of activities.

The government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenue (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-like activities). The governmental activities of the City include general government, public safety, public works, health & human services, culture & recreation and conservation & development. The business-type activities include the Franklin Water Utility and the Sanitary Sewer fund.

The government-wide financial statements include not only the City itself (known as the primary government) but also a legally separate Community Development Authority for which the City is financially accountable. Financial information for this blended component unit is reported as part of the financial information presented for the primary government itself.

The government-wide financial statements can be found on Exhibits A and B of this report.

Fund financial statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

Governmental funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike government-wide financial statements, governmental fund financial statements focus on near term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement

of revenue, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City maintains 17 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenue, expenditures, and changes in fund balances for the General, Debt Service and TIF Districts Funds, that are all considered to be major funds. Data from the remaining 14 governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements later in this report.

The basic governmental fund financial statements can be found on Exhibits C, D, E and F of this report. These statements include a budgetary comparison of the General Fund.

The City adopts an annual appropriated budget for its General Fund, Debt Service Fund, TIF District, Library Operating Fund, Library Auxiliary Fund, Solid Waste Fund, Donations, Grant, Civic Celebrations, St Martin's Fair, Capital Outlay Fund, Equipment Replacement Fund, Street Improvement Fund, Capital Improvement Fund, Development Fund, Utility Development Fund, Sanitary Sewer Fund and the Franklin Water Utility. A budgetary comparison statement has been provided for all governmental funds demonstrating compliance with their budgets.

Proprietary funds

Proprietary funds are used to report the functions presented as business-type activities in the government-wide financial statements. Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Franklin Water Utility, the Sanitary Sewer Fund and the Internal Service Fund.

The proprietary fund financial statements can be found on Exhibits G, H & I of this report.

Fiduciary funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the City's programs. The fiduciary funds maintained by the City are the Property Tax Agency Fund, that records the tax roll and tax collections for the City and other taxing jurisdictions, a post-employment benefits trust to hold funds until needed to pay designated health benefits for eligible current and future retirees and other agency funds.

The basic fiduciary fund financial statements can be found on Exhibit J & K of this report.

Notes to the financial statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements are found on pages 40 – 88 of this report.

Other information

In addition to the basic financial statements, notes and accompanying notes, this report also presents certain **required supplementary information** concerning the City of Franklin's progress in funding its retiree health obligations to eligible full time employees and its participation in the Wisconsin

Retirement System and City of Franklin Defined Benefit Pension Plans. Required supplementary information can be found on pages 89 - 94 of this report.

The combining and individual fund financial statements and schedules section presents combining statements in connection with non-major governmental funds, a detailed budgetary comparison schedule for the General Fund, Special Revenue, Capital Projects and TIF Funds to demonstrate compliance with the budget complementing the statement included in the basic governmental fund financial statements, and other information related to the individual funds are presented immediately following the required supplementary information. Schedules 1 to 12.2 can be found on pages 95 - 118 of this report.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City, assets exceeded liabilities by \$248,574,088 and \$248,939,033 at the end of 2017 and 2016, respectively.

CITY OF FRANKLIN NET POSITION December 31, 2017 and 2016

	Governmental Activities		Business-type Activities		Total	
	2017	2016	2017	2016	2017	2016
Current and other assets	\$ 54,462,094	\$ 53,076,382	\$ 7,417,875	\$ 6,730,520	\$ 61,879,969	\$ 59,806,902
Long term Note Rec	-	-	18,799,969	20,014,692	18,799,969	20,014,692
Capital assets	121,923,878	118,399,446	107,713,836	110,484,366	229,637,714	228,883,812
Total assets	176,385,972	171,475,828	133,931,680	137,229,578	310,317,652	308,705,406
Deferred Outflows	7,287,434	8,455,769	833,543	356,959	8,120,977	8,812,728
Current liabilities	3,612,319	2,403,969	1,639,382	1,415,431	5,251,701	3,819,400
Long-term liabilities	15,369,145	14,689,207	22,098,478	22,899,975	37,467,623	37,589,182
Total liabilities	18,981,464	17,093,176	23,737,860	24,315,406	42,719,324	41,408,582
Deferred Inflows	27,074,967	27,060,233	70,250	110,286	27,145,217	27,170,519
Net position:						
Net Investment in capital assets	115,417,617	110,638,152	86,584,568	88,115,672	201,846,895	198,334,454
Restricted	10,896,013	10,617,660	20,193,282	21,594,455	31,089,295	32,212,115
Unrestricted	11,303,345	14,522,376	4,179,263	3,450,718	15,637,898	18,392,464
Total net position	\$ 137,616,975	\$ 135,778,188	\$ 110,957,113	\$ 113,160,845	\$ 248,574,088	\$ 248,939,033

The net position section includes an adjustment for capital assets owned by the business-type activities, but financed by the debt of the governmental activities. Amounts will not cross-foot as a result. See Note 3-G.

The largest portion of the City's net position (approximately 88 and 87 percent, in 2017 and 2016, respectively) reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment); less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, net position is not available for future spending.

Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since capital assets themselves cannot be used to liquidate these liabilities.

Investment in capital assets accounted for \$201,846,895 and \$198,753,824 in 2017 and 2016, respectively of the year end net position. The inclusion in 2016, of the Ryan Creek Sanitary Interceptor Sewer (\$22.5 million) is the major cause for the increase in net capital assets that year.

Major 2017 projects were the acceptance of W St. Martin's Road (\$2.8 million jurisdictional transfer from Milwaukee County), the completion of the S 27th Street reconstruction by the State and City enhanced elements, the replacement of a bridge on W St. Martin's Road, and the replacement of an ambulance.

Major 2016 projects were acceptance of S North Cape Road (\$3 million jurisdictional transfer from Milwaukee County), completion of Kayla's Playground (an all-inclusive, all-accessible playground), work on three trails (\$369,000), a Public Safety dispatch console (\$242,000), a replacement roof (\$76,000) on fire station #1, and utility costs associated with the S 27th Street reconstruction project.

The City early adopted GASB 75 related to OPEB obligations. That added over \$2 million in long term obligations.

Deferred Outflows decreased in 2017 related to changes in the WRS pension and Defined Benefit plan.

Deferred Outflows increased in 2016 from changes in WRS pension plan results.

The City contributed water infrastructure on S 27th Street via TID #3 and utility assets in Kayla's playground to the Business-type activities totaling \$659,283 in 2016. Developers also contributed two water main extensions.

An additional portion of the City's net position (12% and 13% in 2017 and 2016, respectively) represent resources that are subject to external restrictions on how they may be used. There were \$31,089,295 and \$32,212,115 respectively in those net positions that were restricted to specific purposes.

The 2017 \$1.1 million reduction in restricted net position relates to the collection of the intergovernmental cooperation agreement.

The 2016 increase in restricted net position reported is due principally to the intergovernmental cooperation agreement and TIF balances upon the retirement of internal advances and new TIF resources without current project costs.

The remaining balance in unrestricted net position of \$15,637,898 and \$18,392,464 in 2017 and 2016, respectively, may be used to meet the City's ongoing obligations to citizens and creditors. At the end of the current and prior fiscal years the City reported positive balances in the unrestricted net position for both the governmental and for its business-type activities. A \$2,342,268 reduction in unrestricted net position relates to the prior period adjustment for the OPEB obligations recognized in the GASB 75 adoption.

Government-wide activities

The details of changes in net position follow:

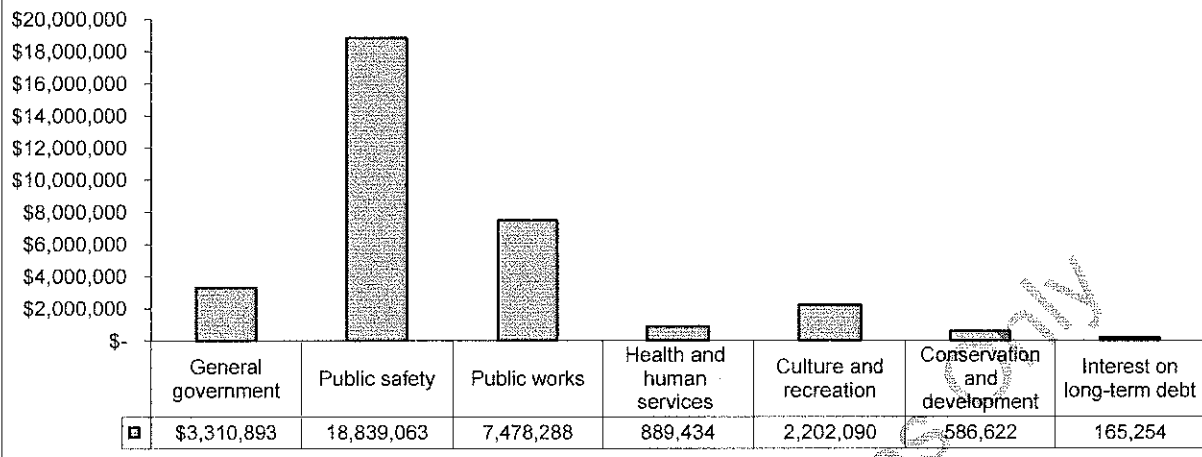
City of Franklin Changes in Net Position For the Years Ending December 31, 2017 and 2016

	Governmental Activities		Business-type Activities		Total	
	2017	2016	2017	2016	2017	2016
Revenue						
Program revenue:						
Charges for services	\$ 5,760,983	\$ 5,772,042	\$ 9,370,939	\$ 9,383,123	\$ 15,131,922	\$ 15,155,165
Operating grants & contributions	1,829,490	1,882,406	-	-	1,829,490	1,882,406
Capital grants & contributions	3,143,577	3,677,886	-	341,915	3,143,577	4,019,801
General revenue:						
Property taxes	22,925,176	23,669,025	-	-	22,925,176	23,669,025
Other taxes	1,020,027	863,735	-	-	1,020,027	863,735
Intergovernmental	1,404,222	1,350,257	-	-	1,404,222	1,350,257
Investment earnings	406,902	315,376	529,004	437,909	935,906	753,285
Other	127,280	161,381	85,943	58,832	213,223	220,213
Total revenue	<u>36,617,657</u>	<u>37,692,108</u>	<u>9,985,886</u>	<u>10,221,779</u>	<u>46,603,543</u>	<u>47,913,887</u>
Expenses:						
General government	3,310,893	3,215,423	-	-	3,310,893	3,215,423
Public safety	18,839,063	18,398,830	-	-	18,839,063	18,398,830
Public works	7,478,288	8,124,372	-	-	7,478,288	8,124,372
Health & human services	889,434	794,502	-	-	889,434	794,502
Culture & recreation	2,202,090	1,872,691	-	-	2,202,090	1,872,691
Conservation & development	586,622	547,060	-	-	586,622	547,060
Interest on long-term debt	165,254	313,301	-	-	165,254	313,301
Water	-	-	5,429,943	5,549,508	5,429,943	5,549,508
Sewer	-	-	5,724,633	5,729,314	5,724,633	5,729,314
Total expenses	<u>33,471,644</u>	<u>33,266,179</u>	<u>11,154,576</u>	<u>11,278,822</u>	<u>44,626,220</u>	<u>44,545,001</u>
Increase in net position before transfers	3,146,013	4,425,929	(1,168,690)	(1,057,043)	1,977,323	3,368,886
Transfers	<u>989,602</u>	<u>305,112</u>	<u>(989,602)</u>	<u>(305,112)</u>	<u>-</u>	<u>-</u>
Change in net position	<u>4,135,615</u>	<u>4,731,041</u>	<u>(2,158,292)</u>	<u>(1,362,155)</u>	<u>1,977,323</u>	<u>3,368,886</u>
Net position - beginning	135,778,188	131,047,147	113,160,845	92,071,540	248,939,033	223,118,687
Restatement - pension	(2,296,828)	-	(45,440)	22,451,460	(2,342,268)	22,451,460
Net position - beginning (restated)	<u>133,481,360</u>	<u>131,047,147</u>	<u>113,115,405</u>	<u>114,523,000</u>	<u>246,596,765</u>	<u>245,570,147</u>
Net position - ending	<u>\$ 137,616,975</u>	<u>\$ 135,778,188</u>	<u>\$ 110,957,113</u>	<u>\$ 113,160,845</u>	<u>\$ 248,574,088</u>	<u>\$ 248,939,033</u>

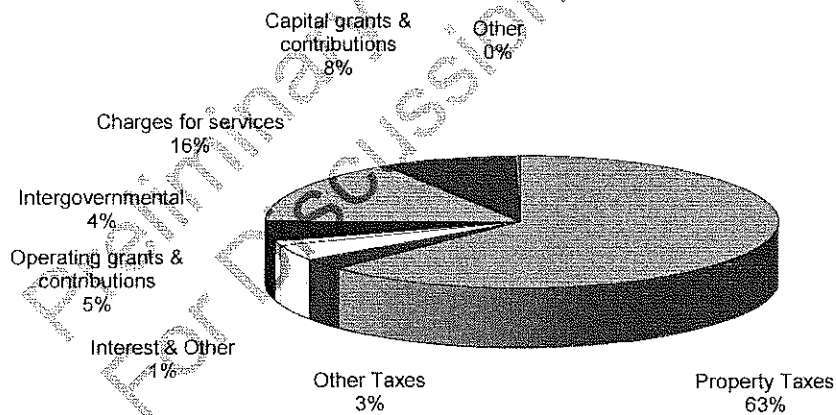
The 2017 Governmental Activities increase of \$4,135,615 was principally generated by the \$2.8 million jurisdictional transfer of W St. Martin's Road by Milwaukee County. The Adoption of GASB 75 for OPEB obligations reduced the City Net Position by \$2.3 million.

The 2016 Governmental Activities increased the City's net position by \$4,731,041 or 135% of the total growth in net position. Biggest element of this increase, \$3 million was the donation of S North Cape Road by Milwaukee County and TIF resources with no related project costs. The 2016 Business-type Activities decrease in net position of \$1,362,155 reflects depreciation charges on contributed assets which is not being recovered via operations.

Expenses by Function - Governmental Activities



Revenue by Source - Governmental Activities

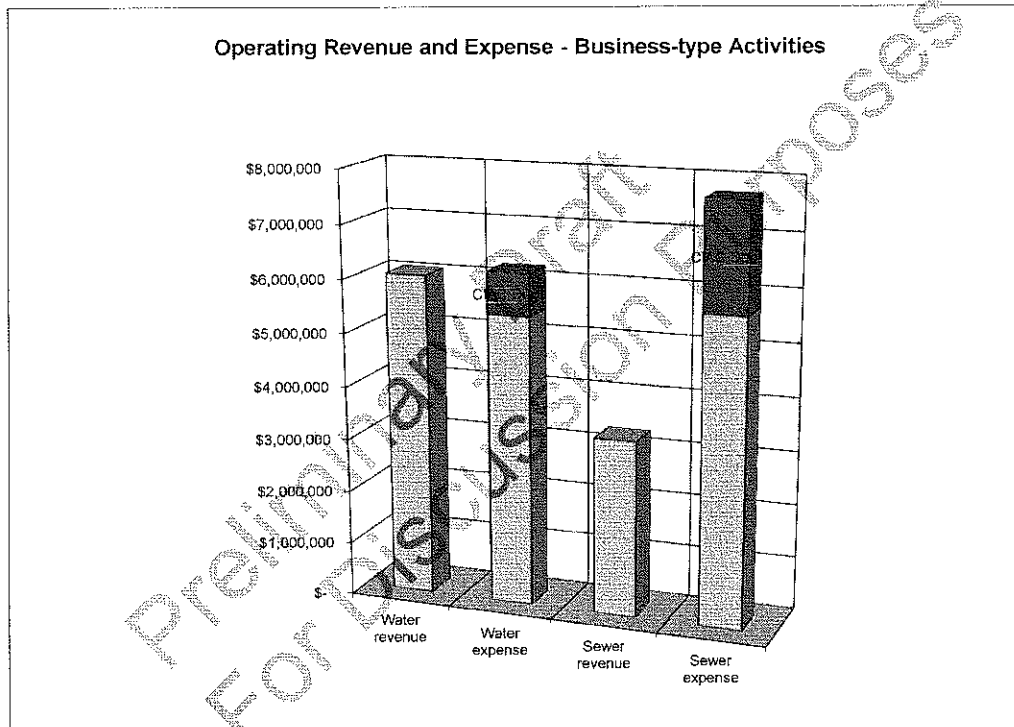


Business-type activities

In 2017, business-type activities decreased the City's net position by \$2,158,292 (or 61% of the total net change). Depreciation on contributed assets and the Ryan Creek Interceptor Sewer are the major reasons for the reduction in net position. The City has not set rates to recover the contributed assets. Rates will eventually need to provide for the replacement of those contributed assets, but until such time, the City's policy has been to hold rates down. The Sewer Fund purchased a replacement camera truck for \$240,985.

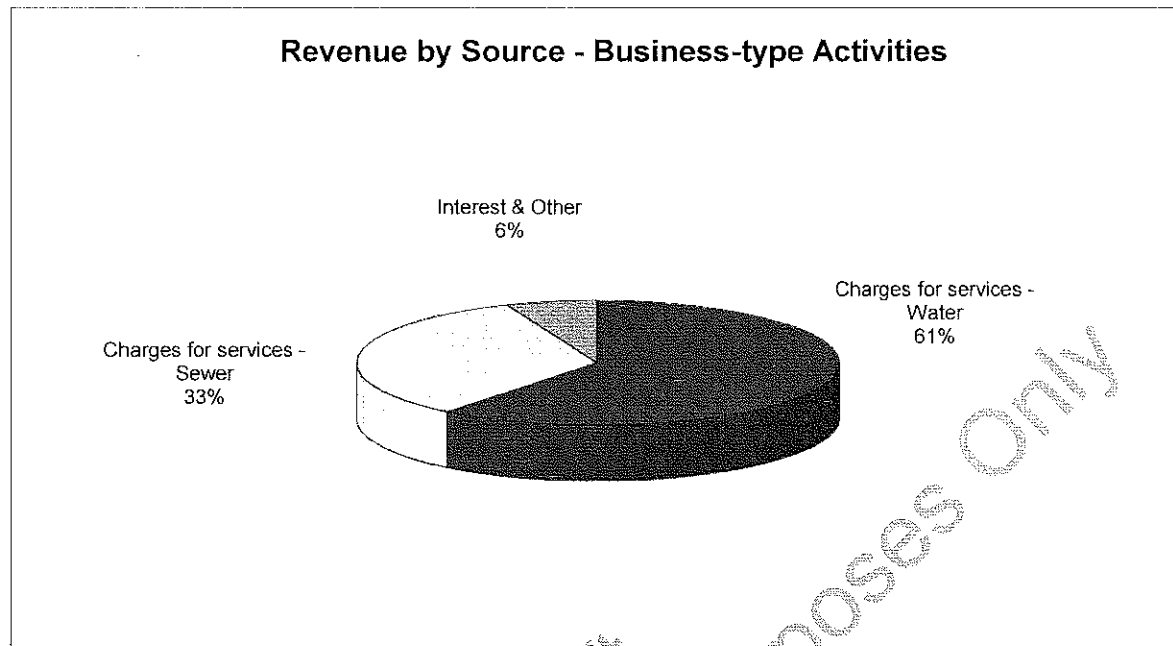
In 2016, business-type activities decreased the City's net position by \$1,362,155 or 40.4%. Depreciation of contributed assets totaled \$2,795,955, with the Ryan Creek Interceptor Sewer amounting to \$1,425,000 of that total. The Ryan Creek Interceptor Sewer will be donated to Milwaukee Metropolitan Sewer District (MMSD) when the Clean Water Fund Loan is retired in 2031 by intergovernmental agreement. The City must maintain the asset until that time, no significant maintenance costs are expected, however some maintenance costs will likely occur.

The following graph compares the 2017 charges for services to the operating expenses for water and sewer activities.



Water and Sewer expenses can exceed revenue due to the current policy of including only depreciation from City spending on capital assets in the rate formula. The large amount of new infrastructure that has been contributed is the reason for this policy. Over 88% of the Business-type assets have been contributed by developers or new growth resources. When maintenance and replacement costs increase, this policy may need to be reevaluated. The City replaced \$284,000 of contributed water mains in 2015 and none in 2016 or 2017. A \$1 million replacement project is planned for 2018.

As shown on the following chart, the Business-type revenue includes capital grants and contributions, investment earnings and miscellaneous income in addition to charges for services (operating revenue).



2017 Water revenues increased slightly (less than \$3,000) as volumes in 2017 were lower than 2016. The water usage reduction more than offset the 2016 rate increase. The Common Council reduced sewer rates for 2017 (from 2016 levels). This resulted in 0.4% less revenue (\$14,700). There were no capital contributions from developers in 2017.

2016 Water Revenues increased \$444,645 (7.9%) which resulted from increased customer demand as measured by volume and an 8% rate increase approved by the State regulator in June 2016. The Water Utility was successful in reducing un-billed water to 10% of water purchases, which is down from 15% the prior year. This improved Water Utility results in 2016. The Water Utility also incurred significant professional costs successfully contesting a Construction Authorization request by its wholesale supplier.

Sewer revenues were substantially unchanged from the prior year. Capital grants are dependent upon new development in the City. 2017 had no development activity.

Financial Analysis of the Government's Funds

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

The focus of the City's **governmental funds** is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$23,438,415, an increase of \$401,952 from the prior year. At year end the unassigned fund balance was \$5,971,948. Of this total \$6,190,398 was for General Fund activities. This amount was offset by deficits in the TIF Districts and Nonmajor Governmental Funds. Newly created TIF District #5 has an advance from the General Fund for organizational expenses.

The City has assigned fund balances for activities of the Capital Projects of \$6,746,614. In addition, \$150,565 of General Fund Balance has been assigned for purchase commitments into 2018.

Outside party restrictions have resulted in restricted fund balances:

- 1) to pay debt service - \$735,022,
- 2) for utility improvements - \$1,413,378,
- 3) for development purposes - \$4,166,500,
- 4) for TIF Districts of \$2,405,999,
- 5) for library services \$580,430
- 6) for Solid Waste services \$393,677 and
- 7) for donations, health, grant funds, tourism and recreational activities – totaling \$627,084.

The City also has nonspendable fund balances to indicate that it is not available for new spending because it has already been committed for prepaid expenses and inventories (\$16,498) and for advances to other funds (\$230,700). The General Fund provided a 10 year advance to the Water Utility to finance an extraordinary contribution to the Public Works Retirement plan (in excess of the Actuarially Determined Contribution). This was financed out of the collection of the Sewer Fund advance.

The **General Fund** is the chief operating fund of the City. As of December 31, 2017, the total fund balance of the General Fund was \$6,587,511 of which \$6,190,398 was unassigned. This unassigned fund balance represents approximately 25% of 2017 General Fund budgeted expenditures.

The total General fund balance decreased by \$1,103,173 during fiscal year 2017. With the repayment of the \$2.2 million advance to the Sewer Fund in January 2017 a \$900,000 extraordinary contribution to the Public Works retirement plan was made. \$605,700 of that was charged to the General Fund, and \$155,700 was advanced to the Water Utility to finance its contribution.

The **Debt Service Fund** has a total fund balance of \$735,022, restricted for the payment of debt service. The fund balance increase of \$83,724 related to a \$51,071 premium on a December 2017 new issue.

The **TIF Districts Fund** has total fund balance of \$2,222,001; a restricted fund of \$2,405,999 and a deficit fund balance of \$183,998 related to start-up costs in Ballpark Commons (TID5).

The **Nonmajor Governmental Funds** have a total fund balance of \$13,893,881. The fund balance increase of \$1,731,241 came principally from the proceeds of a December, 2017 new debt issue. The new issue was sold to finance the 2018 Capital Improvement Fund projects and to protect levy limit provisions.

The City's **Proprietary Funds** provide the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net position of the Water Utility at the end of the year amounted to \$2,710,007, an increase of \$550,064 from the prior year coming out of operating results.

Unrestricted net position of the Sanitary Sewer Fund at the end of the year amounted to \$1,469,256, an increase of \$178,481 from the prior year. The increase is the result of spending down the Restricted Replacement fund for the purchase of the camera truck.

The enterprise funds financial statements can be found on Exhibits G, H and I of this report.

General Fund Budgetary Highlights

Revenue trailed budget by \$537,939. Building permit revenues were below budget by \$305,037 related to delays in the start up of the Ballpark Commons development. Ambulance fees also trailed expectations by \$86,974.

Actual expenditures were less than budgeted expenditures by \$840,413. The City established a \$625,000 contingency reserve in the Adopted Budget. \$266,000 of that contingency was not spent. Public Safety underspent the final budget by 1.8% or \$303,894.

A \$1,161,924 deficit before transfers out, compares favorably to the amended budgeted deficit of \$1,464,398.

Capital assets

The City's investment in capital assets for its governmental and business type activities as of December 31, 2017, amounts to \$229,637,714, net of accumulated depreciation. This investment in capital assets includes land, buildings, improvements other than buildings and machinery and equipment.

City of Franklin's Investment in Capital Assets

	Governmental Activities		Business-type Activities		Total	
	2017	2016	2017	2016	2017	2016
Land	\$ 25,072,951	\$ 24,623,751	\$ 888,479	\$ 888,479	\$ 25,961,430	\$ 25,512,230
Buildings and Improvements	26,860,342	26,770,132	6,682,442	6,677,157	33,542,784	33,447,289
Improvements other than buildings	104,393,846	98,419,149	134,189,113	134,145,872	238,582,959	232,565,021
Machinery and and equipment	18,562,309	17,924,405	5,749,838	5,385,346	24,312,147	23,309,751
Construction in process	442,805	1,019,925	-	-	442,805	1,019,925
Total capital assets	175,332,253	168,757,362	147,509,872	147,096,854	322,842,125	315,854,216
Less Accumulated depreciation	(53,408,375)	(50,357,916)	(39,796,036)	(36,612,488)	(93,204,411)	(86,970,404)
Capital assets net of depreciation	\$ 121,923,878	\$ 118,399,446	\$ 107,713,836	\$ 110,484,366	\$ 229,637,714	\$ 228,883,812

The total increase in the City's net investment in capital assets net of depreciation for the current fiscal year was \$753,902 or 0.3%. The increase is principally the result of the jurisdictional transfer of W St. Martin's Road from Milwaukee County.

For further details on capital asset activity refer to Note 1(D)6 and Note 3(E) of the Notes to Financial Statements and Schedules 12-12.2.

Long-term debt

State statutes limit the amount of general obligation debt a governmental entity may issue up to 5 percent of its total equalized valuation. At December 31, 2017, the City had general obligation note and bond issues outstanding totaling \$29,984,693. The current legal debt limitation for the City is \$194,446,310. The City's current outstanding general obligation debt is 15.4% of the statutory debt limit. This is the lowest level in the last ten years.

By City policy, outstanding general obligation debt is limited to 2% of total equalized value or \$77,778,524. Outstanding debt represents 39% of this internal limit, leaving an internal debt limit margin of \$47,793,831.

The City's present rating from Moody's for its general obligation debt is "Aa2". This rating was reduced from "Aa1", when a bond issue took place in December, 2017.

In April 2016, the City refunded the 2007 bonds with a notional value of \$5,895,000 with new bonds valued at \$5,770,000. See the debt footnote for further details.

In December, 2017, the City issued \$1,630,000 of notes. The notes will finance the 2018 Capital Improvement programs.

City of Franklin's Outstanding Debt (All purposes)

	Governmental Activities		Business-type Activities		Total	
	2017	2016	2017	2016	2017	2016
General obligation						
Premium (Discount)	\$ 217,622	\$ 260,403	\$ (10,425)	\$ (11,534)	\$ 207,197	\$ 248,869
Bonds	4,560,000	5,770,000	21,139,693	22,380,228	25,699,693	28,150,228
Notes	4,285,000	4,475,000	-	-	4,285,000	4,475,000
Total	<u>\$ 9,062,622</u>	<u>\$ 10,505,403</u>	<u>\$ 21,129,268</u>	<u>\$ 22,368,694</u>	<u>\$ 30,191,890</u>	<u>\$ 32,874,097</u>

Additional information of the City's long-term debt can be found in Note 3(H), Schedule 5 and Tables 11 – 13 in the statistical section of the report.

Other Changes of Significance

Post Employment Health Care Benefits

The City of Franklin provides retiree health care benefits to certain retiree groups from the date of retirement until age 65. Prior to 2008 the City's portion of health care cost was recognized as an expenditure in the period premiums were paid. Funding for those costs was provided out of the current operating budget of the City. This was referred to as financing on a pay as you go basis.

The Government Accounting Standards Board (GASB) issued Statement #45 effective for the City of Franklin on January 1, 2008 that said that the expense of these benefits has to be recognized over the working lives of the employees. The Common Council concluded that the City of Franklin should not only recognize the expense on its financial statements but should fund those amounts out of its general revenue starting in 2008 with the establishment of a section 115 trust. The actuarial computed annual required contribution under GASB #45 was \$342,872 for 2016.

In 2017, the City adopted GASB 75, which treats OPEB liabilities similarly to pension obligations. This resulted in a prior period adjustment of \$2,342,268. The OPEB liability as of December 31, 2017 was \$7,607,514 and the plan fiduciary net position was \$5,573,763 for a net OPEB liability of \$2,033,751.

More detailed information can be found in Note 4(C).

Economic Factors, Tax Rates and Next Year's Budgets

- The unemployment rate as of December 31, 2017 for the City was 3.2% and Milwaukee County which includes the City, was 3.1%. This compares with an unemployment rate of 3.2% for the State of Wisconsin.
- The local assessed tax rate decreased to \$5.61 from \$5.69 for operations for 2017. In the prior two years the tax rate of \$5.61 and \$5.69 was relatively unchanged. The 2017 rate reduction was the result of a revaluation in the City and a frozen tax levy. The tax levy was unchanged the past four years, excluding the TIF Districts.

Requests for Information

This financial report is designed to provide a general overview of the City's finances for those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Director of Finance & Treasurer, City of Franklin 9229 West Loomis Road, Franklin, WI 53132.

General information or more detailed financial and budget information relating to the City of Franklin can be found at the City's website, www.franklinwi.gov - Finance Department tab.

Preliminary Draft
For Discussion Purposes Only

BASIC FINANCIAL STATEMENTS

Preliminary Draft
For Discussion Purposes Only

This page intentionally blank

Preliminary Draft
For Discussion Purposes Only

CITY OF FRANKLIN, WISCONSIN
Statement of Net Position
As of December 31, 2017

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and investments	\$ 27,461,271	\$ 3,408,317	\$ 30,869,588
Receivables			
Accounts	804,402	2,327,450	3,131,852
Taxes	24,935,171	258,871	25,194,042
Special assessments	845,384	-	845,384
Internal balances	(13,857)	13,857	-
Due from other governments	256,025	1,214,723	1,470,748
Prepaid items	14,207	-	14,207
Inventories	3,791	-	3,791
Long term advances	155,700	(155,700)	-
Restricted cash	-	178,590	178,590
Due from other governments - long term	-	18,799,969	18,799,969
Regulatory asset	-	171,767	171,767
Capital assets (net of accumulated depreciation)			
Land	25,072,951	888,479	25,961,430
Buildings and improvements	15,950,890	4,965,477	20,916,367
Machinery and equipment	7,024,232	1,852,209	8,876,441
Infrastructure	73,433,000	100,007,671	173,440,671
Construction in progress	442,805	-	442,805
Total assets	176,385,972	133,931,680	310,317,652
DEFERRED OUTFLOWS OF RESOURCES			
Pension related	7,287,434	833,543	8,120,977
Total deferred outflow of resources	7,287,434	833,543	8,120,977
LIABILITIES			
Accounts payable	2,226,285	1,511,784	3,738,069
Accrued liabilities	1,106,906	34,642	1,141,548
Due to other governments	116,915	-	116,915
Accrued interest	54,488	92,956	147,444
Special deposits	107,725	-	107,725
Noncurrent liabilities			
Benefit obligations due within one year	725,102	78,886	803,988
Benefit obligations due in more than one year	5,581,421	890,324	6,471,745
General obligation debt due within one year	2,315,000	1,269,723	3,584,723
General obligation debt due in more than one year	6,747,622	19,859,545	26,607,167
Total liabilities	18,981,464	23,737,860	42,719,324
DEFERRED INFLOWS OF RESOURCES			
Pension related	2,340,698	70,250	2,410,948
Subsequent year property taxes	24,734,269	-	24,734,269
Total Deferred Inflow of Resources	27,074,967	70,250	27,145,217
NET POSITION			
Net Investment in capital assets	115,417,617	86,584,568	201,846,895
Restricted for			
Debt service	552,375	-	552,375
Utility improvements	2,169,298	-	2,169,298
Development	4,166,500	-	4,166,500
TID Funds	2,405,999	-	2,405,999
Library	581,080	-	581,080
Solid Waste	393,677	-	393,677
Recreation services	65,727	-	65,727
Health	199,428	-	199,428
Donations	150,136	-	150,136
Tourism Commission	211,793	-	211,793
Sewer equipment replacement	-	178,590	178,590
Intergovernmental Cooperation Agreement	-	20,014,692	20,014,692
Unrestricted	11,303,345	4,179,263	15,637,898
Total net position	\$ 137,616,975	\$ 110,957,113	\$ 248,574,088

See accompanying notes to the financial statements.

CITY OF FRANKLIN, WISCONSIN
Statement of Activities
For the Year Ended December 31, 2017

Functions/Programs	Expenses	Program Revenue			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities:							
General government	\$ 3,310,893	\$ 150,998	\$ 572	\$ 2,695	\$ (3,156,628)	\$ -	\$ (3,156,628)
Public safety	18,839,063	2,371,577	327,997	50,987	(16,088,502)	-	(16,088,502)
Public works	7,478,288	2,699,691	1,162,177	3,003,921	(612,499)	-	(612,499)
Health and human services	889,434	181,625	216,091	-	(491,718)	-	(491,718)
Culture and recreation	2,202,090	204,845	122,653	85,974	(1,788,618)	-	(1,788,618)
Conservation and development	586,622	152,247	-	-	(434,375)	-	(434,375)
Interest on long term debt	165,254	-	-	-	(165,254)	-	(165,254)
Total governmental activities	<u>33,471,644</u>	<u>5,760,983</u>	<u>1,829,490</u>	<u>3,143,577</u>	<u>(22,737,594)</u>	<u>-</u>	<u>(22,737,594)</u>
Business-type activities:							
Water	5,429,943	6,057,085	-	-	-	627,142	627,142
Sewer	5,724,633	3,313,854	-	-	-	(2,410,779)	(2,410,779)
Total business-type activities	<u>11,154,576</u>	<u>9,370,939</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,783,637)</u>	<u>(1,783,637)</u>
Total primary government	<u>\$ 44,626,220</u>	<u>\$ 15,131,922</u>	<u>\$ 1,829,490</u>	<u>\$ 3,143,577</u>	<u>(22,737,594)</u>	<u>(1,783,637)</u>	<u>(24,521,231)</u>
General revenue:							
Property taxes levied for general purposes					19,209,536	-	19,209,536
Property taxes levied for debt service					1,300,000	-	1,300,000
Property taxes levied for TIF Districts					2,415,640	-	2,415,640
Other taxes					1,020,027	-	1,020,027
Intergovernmental revenue not restricted to specific programs					1,404,222	-	1,404,222
Investment earnings					406,902	529,004	935,906
Miscellaneous revenue					27,612	85,943	113,555
Gain on sale of capital assets					99,668	-	99,668
Transfers					989,602	(989,602)	-
Total general revenue and transfers					<u>26,873,209</u>	<u>(374,655)</u>	<u>26,498,554</u>
Change in net position					<u>4,135,615</u>	<u>(2,158,292)</u>	<u>1,977,323</u>
Net position - beginning					135,778,188	113,160,845	248,939,033
Restatement - (See Note 4.F)					(2,296,828)	(45,440)	(2,342,268)
Net position - beginning (restated)					<u>133,481,360</u>	<u>113,115,405</u>	<u>246,596,765</u>
Net position - ending					<u>\$ 137,616,975</u>	<u>\$ 110,957,113</u>	<u>\$ 248,574,088</u>

See accompanying notes to the financial statements.

CITY OF FRANKLIN, WISCONSIN
Balance Sheet
Governmental Funds
As of December 31, 2017

	General	Debt Service	TIF Districts	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS					
Cash and investments	\$ 7,098,754	\$ 702,878	\$ 3,696,480	\$ 13,863,094	\$ 25,361,206
Receivables					
Accounts	551,983	-	-	201,773	753,756
Taxes	16,951,582	1,332,144	2,471,104	4,180,341	24,935,171
Special assessments	-	89,463	-	755,921	845,384
Due from other funds	65,742	-	-	-	65,742
Due from other governments	111,159	-	-	144,866	256,025
Prepaid items	12,057	-	-	650	12,707
Inventories	3,791	-	-	-	3,791
Advances to other funds	230,700	-	-	25,000	255,700
TOTAL ASSETS	\$ 25,025,768	\$ 2,124,485	\$ 6,167,584	\$ 19,171,645	\$ 52,489,482
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Accounts payable	\$ 557,932	\$ -	\$ 1,324,784	\$ 343,254	\$ 2,225,970
Accrued liabilities	700,783	-	-	115,423	816,206
Due to other funds	18,352	-	24,695	36,552	79,599
Due to other governments	116,915	-	-	-	116,915
Special deposits	107,725	-	-	-	107,725
Advance from other funds	-	-	125,000	-	125,000
Total liabilities	1,501,707	-	1,474,479	495,229	3,471,415
DEFERRED INFLOWS OF RESOURCES					
Unearned & unavailable revenue	16,936,550	1,389,463	2,471,104	4,782,535	25,579,652
FUND BALANCES					
Nonspendable:					
Inventories and prepaid items	15,848	-	-	650	16,498
Advances to other funds	230,700	-	-	-	230,700
Restricted:					
Debt service	-	735,022	-	-	735,022
Utility improvements	-	-	-	1,413,378	1,413,378
Development	-	-	-	4,166,500	4,166,500
TIF Districts	-	-	2,405,999	-	2,405,999
Donations	-	-	-	150,136	150,136
Health services	-	-	-	199,428	199,428
Library services	-	-	-	580,430	580,430
Solid waste	-	-	-	393,677	393,677
Recreational services	-	-	-	65,727	65,727
Tourism	-	-	-	211,793	211,793
Assigned:					
Purchases on order	150,565	-	-	-	150,565
Capital projects	-	-	-	6,746,614	6,746,614
Unassigned (deficit)	6,190,398	-	(183,998)	(34,452)	5,971,948
Total fund balances	6,587,511	735,022	2,222,001	13,893,881	23,438,415
TOTAL LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES	\$ 25,025,768	\$ 2,124,485	\$ 6,167,584	\$ 19,171,645	\$ 52,489,482

See accompanying notes to the financial statements.