

STATE OF WISCONSIN: CITY OF FRANKLIN: MILWAUKEE COUNTY

ORDINANCE NO. 2024-2649

AN ORDINANCE ADOPTING THE 2025 ANNUAL BUDGETS FOR THE GENERAL, CIVIC CELEBRATIONS, ST MARTIN'S FAIR, DONATIONS, GRANTS, SOLID WASTE COLLECTION, SANITARY SEWER, CAPITAL OUTLAY, EQUIPMENT REPLACEMENT, STREET IMPROVEMENT, CAPITAL IMPROVEMENT, DEBT SERVICE, DEVELOPMENT, UTILITY DEVELOPMENT, TID 5, TID 6, TID 7, TID 8, TID 9, AMERICAN RECOVERY ACT, OPIOID SETTLEMENT FUND, AND INTERNAL SERVICE FUNDS AND ESTABLISHING THE TAX LEVY, ESTABLISHING THE SOLID WASTE FEE, AND OTHER REVENUE FOR THE CITY OF FRANKLIN

WHEREAS, the Finance Committee has reviewed and recommended changes accepted by the Common Council on October 15 and November 6, 2024, where desired, the 2025 Mayor's Recommended Budgets for the General, Debt Service, TID 5, TID 6, TID 7, TID 8, TID 9, American Recovery Act, Opioid Settlement Fund, Solid Waste Collection, Fire Grants, Police Grants, St Martin's Fair, Health Grants, Donations, Civic Celebrations, Capital Outlay, Equipment Replacement, Street Improvement, Capital Improvement, Development, Utility Development, Sanitary Sewer, and Internal Service Funds for the City of Franklin; and

WHEREAS, debt incurred and anticipated has 2025 required repayments for the Debt Service Fund, TID 5, TID 6, TID 7, TID 8, TID 9, and the Sanitary Sewer Funds; and

WHEREAS, the 2025 Proposed Budget includes property taxes of \$23,883,300 that are levied to support the 2025 Annual Budget with a resulting City tax rate of approximately \$3.90 with the Common Council concurring in the need and with the final rate being the mathematical result of statutory property tax billing process, including, but not limited to, inclusion of the required state adjustment for equalization; and

WHEREAS, for the purposes, in part, of accounting detail, transparency of governmental actions and intent, efficiency of operations, and enhanced record keeping, the 2025 Proposed Budget document and format provides greater detail and categorization of anticipated expenditures than required by Wisconsin Statutes §65.90, which provides that "all proposed appropriations for each department, activity and reserve account" shall be listed in the budget; and, therefore, expenditure appropriation unit amounts are itemized and, entitled "Official Budget Appropriation Units," while the remaining pages of the document provide supplemental information for informational purposes as earlier noted; and

WHEREAS, a Public Hearing Notice of the 2025 Mayor's Recommended Budget appeared in the official City Newspaper, South Now, on October 30, 2024; and

WHEREAS, a Public Hearing was held by the Common Council on November 19, 2024, regarding the 2025 Proposed Budget.

NOW, THEREFORE, the Common Council of the City of Franklin does hereby ordain as follows:

- Section 1 That the 2025 Expenditure Budgets, summarized herein, for the General Fund as \$34,002,477, for Debt Service \$1,476,138, for TID 5 \$2,204,683, for TID 6 \$797,518, for TID 7 \$1,050,231, for TID 8 \$198,215, for TID 9 \$905,338, for the American Recovery Fund \$5,600, for the Opioid Settlement Fund \$0, for Solid Waste \$2,387,368, for Fire Grants \$8,580, for Police Grants \$128,520, for St Martin's Fair \$65,780, for Health Grants \$358,931, for Donations \$121,708, for Civic Celebrations \$170,496, for Capital Outlay \$1,165,449, for Equipment Replacement \$1,848,600, for Street Improvement \$2,356,000, for Capital Improvement \$2,769,400, for Development \$30,000, for Utility Development \$0, and for Internal Service \$4,862,777 totaling \$56,913,809 with expenditure appropriation unit amounts as set forth on the tables entitled "Official Budget Appropriation Units" (which is attached hereto and incorporated herein by reference) and as set forth by department, activity, and reserve account (all as maintained by the City in a multiple-fund accounting structure) are adopted as the annual expenditure budgets for the City of Franklin for fiscal year 2025.
- Section 2 The Sanitary Sewer Fund includes 2025 capitalized assets of \$305,000 and debt service of \$413,301 with operating revenues of \$5,340,000 and operating expenditures of \$4,991,390.
- Section 3 Debt Service payments of \$1,476,138 in the Debt Service Fund, \$2,149,203 in TID 5, \$748,053 in TID 6, \$224,081 in TID 7, \$76,300 in TID 8, \$90,213 in TID 9, and \$1,853,281 in the Sanitary Sewer fund, totaling \$6,617,269, are adopted as annual required payments for those respective funds for fiscal year 2025.
- Section 4 That the 2025 property taxes used to support the General Fund of \$20,975,600, the Library Fund of \$1,467,700, the Street Improvement Fund of \$300,000, and the Debt Service Fund of \$1,140,000 for City purposes, totaling \$23,883,300, are levied and adopted as the annual property tax levies for fiscal year 2025 with a resulting City tax rate of approximately \$3.90 per thousand assessed value with the final rate being the mathematical result of statutory property tax billing process, including, but not limited to, inclusion of the required state adjustment for equalization.
- Section 5 That the 2025 Revenue Budgets, other than non-TID property taxes and debt proceeds, for the General Fund of \$10,526,877, for Debt Service \$346,469, TID 5 \$2,247,380, for TID 6 \$747,785, for TID 7 \$932,000, for TID 8 \$1,613,950, for TID 9 \$0, for Opioid Settlement Fund \$15,913, for American Recovery Fund \$0, for Solid Waste \$2,405,785, for Fire Grants \$8,580, for Police Grants \$128,520, for St. Martin's Fair \$66,000, for Health Grants \$361,894, for Donations \$15,000, for Civic Celebrations \$151,000, for Capital Outlay \$1,012,000, for Equipment Replacement \$605,000, for Street Improvement \$2,059,900, for Capital Improvement \$2,874,428, for Utility Development \$183,900, for Development

\$1,685,000, and for Internal Service \$4,233,945, totaling \$32,221,326, are adopted as the annual revenue budgets for other than property taxes for the City of Franklin for fiscal year 2025.

- Section 6 That additional revenue of \$0 in the form of new debt is required in 2025, plus any debt not issued but budgeted in 2024.

- Section 7 That transfers into the St. Martin's Fair Fund of \$41,000, the Civic Celebrations Fund of \$30,000, the Debt Service Fund of \$307,919, the Capital Improvement Fund of \$2,682,928, for a total of \$3,061,847, are adopted as the annual transfers in as contained in the budget for the City of Franklin for fiscal year 2025.

- Section 8 That transfers out of the General Fund totaling \$928,800, of the American Recovery Act Fund totaling \$794,000, of the Utility Development Fund totaling \$725,000, of the Development Fund totaling \$1,303,018, for a total of \$3,750,818 for fiscal year 2025.

- Section 9 That the 2025 Solid Waste Collection Fund fee is \$159.60 for each property eligible to receive the solid waste collection service.

- Section 10 That the Capital Improvement Fund expenditure appropriation, excluding the Contingency allocation, shall be administered as if adopted on a "per project" basis, and unless otherwise requiring a statutorily-executed budget modification, a modification of the appropriation's administrative allocation between or to projects is subject to authorization by at least a two-thirds majority of the Common Council in the form of a budget modification, which, as an internal administrative process, does not initiate publication requirements.

- Section 11 That the single expenditure appropriation for "Contingency" within the General Fund shall be administered for City purposes as if adopted as distinct appropriations for \$2,500,000 "Restricted" and \$125,000 "Unrestricted" contingency budgets as shown within the "Unclassified, Contingency, and Anticipated Under Spending" budget detail, with "Restricted" contingency appropriations not authorized for direct expenditure and requiring a budget modification approved by two-thirds of the Common Council, interpreted consistent with statutes, moving the appropriation to "Unrestricted" contingency or another valid appropriation unit prior to or in conjunction with any spending authorization.

- Section 12 That the Capital Outlay Fund expenditure appropriation shall be administered as if adopted on the department/division basis, (except the Information Services Department shall also include all planned computer and computer-related expenditures distributed and assigned, in whole or in part and for accounting purposes, to various other departments), and unless otherwise requiring a statutorily executed budget modification, a modification of the appropriation's administrative allocation between departments and changes, valued in excess of

\$5,000, in the departmental list of capital items or quantity of items to be purchased are subject to authorization by the Common Council.

Section 13 That the Grant Funds appropriation units shall be segregated into Health (Health Department) and Other (all other Departments), with each having a single appropriation unit comprising their respective Personnel Services; Other Services, Supplies, etc.; and Capital Outlay expenditures.

Section 14 That the Finance Department and Director of Administration shall cause to be published and made available a "City of Franklin 2025 Annual Budget" document that 1) incorporates the Mayor's Recommended Budget as presented in the public hearing notice, including any additional changes as provided for herein, 2) incorporates the necessary and corresponding changes to the budget document text and tables as initially set forth in the Mayor's Recommended Budget document, 3) removes supplemental pages from the preliminary document that were incorporated for review, and 4) incorporates the 2025 Annual Budgets of the Library Fund, the Auxiliary Library Fund, the Tourism Commission Fund, and the Water Utility Fund as adopted by their respective boards.

Section 15 The terms and provisions of this ordinance are severable. Should any term or provision of this ordinance be found to be invalid by a court of competent jurisdiction, or otherwise be legally invalid or fail under the applicable rules of law to take effect and be in force, the remaining terms and provisions shall remain in full force and effect.

Introduced at a meeting of the Common Council of the City of Franklin this 19th day of November, 2024 by Alderman Barber.

Passed and adopted at a meeting of the Common Council of the City of Franklin this 19th day of November, 2024.

APPROVED:


John R. Nelson, Mayor

ATTEST:


Shirley J. Roberts, City Clerk

AYES 6 NOES 0 ABSENT 0

RESOLUTION NO. 2016-7216

A RESOLUTION TO REVISE THE FUND BALANCE POLICY
FOR THE CITY OF FRANKLIN

WHEREAS, the Common Council adopted a fund balance policy primarily for the General fund in resolution 2001-5299 to deal with working capital need and other needs;

WHEREAS, the Common Council amended that policy on September 4, 2012;

WHEREAS, the Common Council further amended the Fund Balance Policy on October 7, 2014 with Resolution No. 2014-7025 to expand the Funds included in the policy;

WHEREAS, the Equipment Replacement fund was established to provide resources for future known equipment purchases;

WHEREAS, the Equipment Replacement Fund balance will periodically exceed the recommended fund balance as defined by the policy such that the Equipment Replacement fund should be specifically excluded from the policy; and

WHEREAS, the policy provides guidance for fund balance levels, how to adjust them and when to adjust them.

NOW, THEREFORE, BE IT RESOLVED, that the ratio of year end Fund Balance to current year Expenditures shall target a range between 20 and 30%. The amount of Fund Balance will be taken into consideration when establishing the following year's budget as follows:

1. When the ratio falls below 20%, provision will be made through the budget process to increase the year end fund balance;
2. When the ratio is in the range of 20 – 30% no provision need be necessary through the budget process to affect the year end fund balance;
3. When the ratio is above 30%, provision will be made through the budget process to decrease the year end Fund Balance.

BE IT FURTHER RESOLVED that Fund Balance will be used to support expenditures that are of a one time nature and do not require a repeated resource to maintain the expenditures; and

That Unassigned Fund Balance equal to at least 15% of the succeeding year expenditure budget be maintained for working capital to enable the City to meet the cash flow requirements of the coming year; and

The following tax levy supported funds will be included in the calculation of the ratio: General Fund, Library Fund, Solid Waste Fund, Capital Outlay Fund, Street Improvement Fund, Debt Service Fund and Special Assessment Fund; and

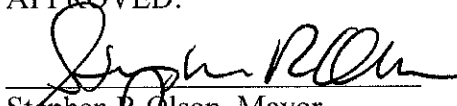
Non-spendable fund balance of the General Fund shall be excluded from the fund balance total; and

Responsibility for determining Fund Balance types (Nonspendable, Restricted, Committed, Assigned and Unassigned) as defined by Governmental Accounting Standards shall rest with the Director of Finance & Treasurer (or successor position).

Introduced at a regular meeting of the Common Council of the City of Franklin this 19th day of July, 2016.

Passed and adopted at a regular meeting of the Common Council of the City of Franklin this 19th day of July, 2016.

APPROVED:


Stephen R. Olson, Mayor

ATTEST:


Sandra L. Wesolowski, City Clerk

AYES 5 NOES 0 ABSENT 1 (Ald. S. Mayer)

STATE OF WISCONSIN : CITY OF FRANKLIN : MILWAUKEE COUNTY

RESOLUTION NO. 2014-7025

A RESOLUTION TO UPDATE FUND BALANCE POLICY FOR THE CITY OF FRANKLIN

WHEREAS, the Common Council adopted a Fund Balance policy primarily for the General Fund in Resolution 2001-5299 to deal with working capital need and other needs; and

WHEREAS, the Common Council amended that policy on September 4, 2012, and

WHEREAS, the policy provides guidance for Fund Balance levels, how to adjust them and when to adjust them.

NOW, THEREFORE, BE IT RESOLVED, that the ratio of year end Fund Balance to current year Expenditures shall target a range between 20 and 30%. The amount of Fund Balance will be taken into consideration when establishing the following year's budget as follows:

1. When the ratio falls below 20%, provision will be made through the budget process to increase the year end Fund Balance;
2. When the ratio is in the range of 20 – 30% no provision need be necessary through the budget process to affect the year end Fund Balance; and
3. When the ratio is above 30%, provision will be made through the budget process to decrease the year end Fund Balance.

BE IT FURTHER RESOLVED that Fund Balance will be used to support expenditures that are of a one time nature and do not require a repeated resource to maintain the expenditures.

That Unassigned Fund Balance equal to at least 15% of the succeeding year expenditure budget be maintained for working capital to enable the City to meet the cash flow requirements of the coming year.

The following tax levy supported funds will be included in the calculation of the ratio: General Fund, Library Fund, Solid Waste Fund, Capital Outlay Fund, Equipment Replacement Fund, Street Improvement Fund, Debt Service Fund and Special Assessment Fund. Transfers out of the Special Assessment fund to the Debt Service Fund shall be ignored.

Non-spendable Fund Balance of the General Fund shall be excluded from the Fund Balance total.

Responsibility for determining Fund Balance types (Nonspendable, Restricted, Committed, Assigned and Unassigned) as defined by Governmental Accounting Standards shall rest with the Director of Finance & Treasurer (or successor position).

Introduced at a regular meeting of the Common Council of the City of Franklin this 7th day of October, 2014.

Passed and adopted at a regular meeting of the Common Council of the City of Franklin this 7th day of October, 2014.

APPROVED:


Stephen R. Olson, Mayor

ATTEST:


Sandra L. Wesolowski, City Clerk

AYES 6 NOES 0 ABSENT 0



APPROVAL <i>Slw PA</i>	REQUEST FOR COUNCIL ACTION	MEETING DATE Mar 5, 2019
REPORTS & RECOMMENDATIONS	Resolution to Amend the City of Franklin Investment Policy Statement – Reserve & Liquidity Investments	ITEM NUMBER <i>G.14.</i>

The City of Franklin Investment Policy requires a periodic review. The last time this policy was reviewed was in May, 2016. The policy provides the framework in which the Director of Finance & Treasurer invests City funds. Safety and liquidity are the primary principals enshrined in this policy and State Statutes surrounding investment of Public funds.

The Finance Committee reviews the policy and when changes are recommended, bring those changes forward to the Common Council for consideration.

The Finance Committee reviewed the changes recommended by the Director of Finance & Treasurer to this investment policy statement.

The updated policy will affect funds under management either with our fixed income investment manager or managed by the Finance Department.

Changes to the policy are highlighted in the attached draft of the policy. The changes include:

1. Removal of the temporary extended average life of the reserve portfolio (Clause 4 C)
2. The addition of a statement on allocation of cash balances to the liquidity and/or reserve portfolios.
3. The addition of a statement directing that investment earnings are allocated between funds based upon each fund's participation in the reserve or liquidity portfolios.
4. An extension of the period between policy reviews to a maximum of three years.

The monthly financial report to Common Council provides a summary of City Investment portfolios, including a maturity schedule for each portfolio. This provides some transparency on compliance with the Investment policy.

RECOMMENDATION

The Finance Committee is recommending approval of the changes to the investment policy.

COUNCIL ACTION REQUESTED

Motion to approve Resolution 2019 _____ amending the City of Franklin Investment Policy Statement – Reserve & Liquidity Investments.

STATE OF WISCONSIN : CITY OF FRANKLIN : MILWAUKEE COUNTY

RESOLUTION NO. 2019-_____

A RESOLUTION TO AMEND THE CITY OF FRANKLIN
INVESTMENT POLICY STATEMENT – RESERVE & LIQUIDITY INVESTMENTS

WHEREAS, the City of Franklin has last updated an investment policy statement on May 3, 2016 for the reserve and liquidity investments; and

WHEREAS, the policy defines the periods between policy reviews which can be extended to three years given the stability of the policy in recent years; and

WHEREAS, it is desirable to modify parts of that investment policy related to the average maturity of the reserve portfolio; and

WHEREAS, it is desirable to include provisions on how investments are allocated between funds in both the liquidity and reserve portfolios; and

WHEREAS, it is desirable to provide provisions on how investment earnings are allocated to funds in both the liquidity and reserve portfolios; and

WHEREAS, no other changes are desirable to the policy previously adopted; and

WHEREAS, the Common Council has reviewed the Investment Policy Statement dated March 5, 2019 presented by the Director of Finance & Treasurer and reviewed by the Finance Committee.

NOW, THEREFORE, BE IT RESOLVED, by the Mayor and Common Council of the City of Franklin that the Investment Policy Statement dated March 5, 2019 is approved.

Introduced at a regular meeting of the Common Council of the City of Franklin this _ day of _____, 2019.

Passed and adopted at a regular meeting of the Common Council of the City of Franklin this _____ day of _____, 2019.

APPROVED:

Stephen R. Olson, Mayor

ATTEST:

Sandra L. Wesolowski, City Clerk

AYES ____ NOES ____ ABSENT ____

CITY OF FRANKLIN INVESTMENT POLICY STATEMENT

All City of Franklin investible funds excluding those under management by Principal Financial Advisors for the DPW Pension program or the Principal Defined Contribution Plan and those OPEB Funds ~~managed by~~ held in a trust set up for that purpose are subject to this investment policy statement. The portfolio of investments for this policy are the reserve and liquidity investments except for those associated with fiduciary and water utility funds.

RESERVE INVESTMENTS

1. SCOPE

This investment policy applies to funds not needed during an annual operating cycle. The determination as to the funds applicable to this category will be made by the Director of Finance & Treasurer based upon the projected cash flow needs of the City of Franklin from time to time. The Director of Finance & Treasurer will authorize transfers between the various investment types. Investment decisions for funds under management will be made for the City by the Investment Manager under the terms of this policy on a non-discretionary basis. A non-discretionary basis allows the investment manager to make investment decisions on behalf of the City after specific investment approval in advance of each investment transaction. City input and approval on investment decisions will be through overall investment strategy and input and approval provided by the Director of Finance & Treasurer or the Deputy Treasurer. In the event they are not available the Accounting Supervisor may provide the investment decision.

2. INVESTMENT OBJECTIVE

The investment objective is to generate current income, consistent with safety and reasonable risk as defined under the "Prudent Person Rule". Because these funds represent operating reserves, quality of the issues, liquidity, and maturity structure of the portfolio are most important.

3. DIVERSIFICATION REQUIREMENTS

Total holdings of any one issuer may not exceed 10% of the market value of the portfolio under management. Total holdings of any one asset class may not exceed 50% of the market value of the portfolio under management at time of purchase. However not more than 30% of the market value of that asset class can have maturities of eighteen months or more to their stated maturities. Exception to the diversification requirements are made for:

- U.S. Government Treasury issues
- U.S. Government Agency issues (excluding mortgage backed securities)
- Issues that are rated AAA and have the full faith guarantee of the U.S. Government.

4. MATURITIES

Maturities of portfolio additions are to be selected consistent with the City's anticipated cash flow needs. For purposes of this Policy Statement, "maturity" is defined as final payment in the case of conventional debt securities, or "average life" in the case of securities that have periodic principal pay downs throughout the life of the security.

- A. The maximum cash reserve shall not exceed \$500,000 without specific approval of the Director of Finance & Treasurer.
- B. The portfolio, at all times, shall have a minimum of \$500,000 inclusive of cash reserves, maturities within 60 days and securities that can be sold at 99.5% of par.
- C. The average maturity of the portfolio shall not exceed 2 1/2 years with no individual issue maturity exceeding 5 years (7 years for treasury and agency issues) from date of purchase. ~~From 2013 to 2018, the average maturity of the portfolio can extend to six years.~~
- D. Floating rate securities, the coupons of which adjust to market interest rates with a minimum frequency of four times annually, shall not be subject to the maturity constraint outlined above.
- E. The portfolio shall strive to maintain a laddered maturity structure in line with the City's cash flow needs.

5. LIQUIDITY

Liquidity and marketability should be prime considerations in the selection of individual securities.

6. ACCEPTABLE INVESTMENTS (Subject to WI Statutes Sec 66.0603 and Diversification Requirements)

- A. Securities of the U.S. Government or agencies thereof.
- B. Fixed income securities that carry a minimum rating of AA by either Moody's or Standard & Poor's at date of purchase.
- C. Investments in commercial paper and variable rate demand notes are restricted to corporations rated A-I or P-I, or if unrated, restricted to those issuers whose long-term debt is rated AA or higher by one of the major rating agencies.
- D. Investments in Certificates of Deposit and Bankers Acceptances are restricted to Banks with a short-term debt rating of A-I or P-I and long-term debt ratings of AA or Aa by one of the major rating agencies.
- E. Government repurchase agreements with a minimum of 100% or more collateralization with respect to its estimated market value plus accrued interest in direct U.S. Government securities and guaranteed Small Business Administration securities (pools and loans).
- F. Money market funds adhering to the quality guidelines described above are acceptable.
- G. Mortgage backed and asset backed securities that carry a final maturity not more than seven (7) years

- H. Securities with a rating of AA+, AA or AA- (Aa1, Aa2, Aa3) are considered to have the same rating for purposes of this policy.

7. RESTRICTIONS

- A. No security restricted in WI Statutes Sec 66.0603 will be purchased. For any security that has a rating decline to A by both Moody's and Standard and Poor's the investment manager on a case by case basis must either sell the investment or recommend to the Finance Committee at their next meeting the rationale for retention of the investment.
1. Securities which fall to Baa or lower (by Moody's) shall be sold within 60 days of the downgrade.
- B. No derivative type investments such as collateralized mortgage obligations, strips, mortgage backed, asset backed, etc. that carry a final maturity greater than seven (7) years
- C. No foreign-denominated securities will be purchased.
- D. No Certificate of Deposits, Bankers Acceptances or other securities issued by corporations affiliated with the Investment Manager are to be purchased.
- E. No investment will be purchased outside of the range of 98% to 102% of par value without approval of the Director of Finance & Treasurer or the Deputy Treasurer.

8. POLICY AND PERFORMANCE REVIEW AND PERFORMANCE MEASUREMENT

This investment policy and the performance of the funds under management shall be reviewed each year during the first quarter. The management benchmark for comparing portfolio performance shall be the Merrill Lynch 1-5 year Government index with the understanding that priority will be given to matching portfolio maturities to anticipated cash flow needs.

LIQUIDITY INVESTMENTS

9. SCOPE

This investment policy applies to funds needed during an annual operating cycle and other funds invested on a short term basis. The determination as to the funds applicable to this category will be made by the Director of Finance & Treasurer based upon the projected cash flow needs of the City of Franklin. The Director of Finance & Treasurer will authorize any transfers between the reserve and liquidity investment types. Investment decisions for liquidity funds for the City will be made by the Director of Finance & Treasurer or the Deputy Treasurer.

10. INVESTMENT OBJECTIVE

The investment objective is to generate current income. Because these funds represent liquidity reserves, quality of the issues and liquidity of the portfolio are most important.

11. DIVERSIFICATION REQUIREMENTS

Investments with greater than daily availability are subject to a diversification requirement of not exceeding 10% per institution and 20% per investment type of the portfolio under management. Exception to the diversification requirements are made for:

- U.S. Government Treasury issues
- U.S. Government Agency issues (excluding mortgage backed securities)
- Issues that are rated AAA and have the full faith guarantee of the U.S. Government.

12. MATURITIES

Maturities of investments shall be selected to match the need for funding during the annual operating cycle. Maturities in the Reserve Investments within the current annual operating cycle can be considered part of the Liquidity investments.

13. LIQUIDITY

Liquidity and marketability should be prime considerations in the selection of individual securities.

14. ACCEPTABLE INVESTMENTS

- A. Money Market funds of authorized depositories
- B. Money Market funds from authorized depositories, not exceeding \$250,000 per institution, assembled by an agent of the City where the City provides the funds to the agent and the agent invests the funds in various money market funds on behalf of the City.
- C. Funds invested in the State of Wisconsin Local Government Investment Program
- D. Certificates of Deposit of local financial institutions that are authorized depositories with preference, when possible, to financial institutions located in the City of Franklin.
- E. Government repurchase agreements with a minimum of 100% or more collateralization with respect to its estimated market value plus accrued interest where the underlined securities are U.S. Government Treasury issues, U.S. Government Agency issues (excluding mortgage backed securities), and Issues that are rated AAA and have the full faith guarantee of the U.S. Government including guaranteed Small Business Administration security issues (pools and loans).

15. RESTRICTIONS

- A. No security restricted in WI Statutes Sec 66.0603 will be purchased.
- B. No securities other than money market, government repurchase agreements, certificates of deposit, savings accounts or checking accounts are acceptable.
- C. All investment maturities shall be in less than 365 days.

D. Investments that do not have either FDIC coverage or the full faith guarantee of the U.S. Government shall require a written credit analysis of the offering institution prior to making the investment.

~~16. POLICY AND PERFORMANCE REVIEW AND PERFORMANCE MEASUREMENT~~

~~This investment policy shall be reviewed each year during the first quarter. There is no management benchmark for comparing portfolio performance of these funds.~~

Allocation of Reserve Investments

16. The Reserve Investments shall be allocated to funds based upon the individual fund longer term cash requirements. Generally, the prior year fund balance can be considered for investment in the Reserve Investment Portfolio. Those funds with deficit operations the prior year of budgeted for the current year should have those deficit considered when allocating Reserve Investment balances to the fund.

Formatted: Indent: Left: 0"

a. Investment earnings and unrealized gains or losses for any given month shall be allocated to funds based upon that fund's reserve investment balance as it relates to the entire reserve investment portfolio.

b. the Director of Finance & Treasurer shall review cash balances monthly for purposes of allocating balances to the reserve investment portfolio.

Allocation of Liquidity Investments

17. The Liquidity Investment portfolio shall be allocated to individual funds in \$25,000 blocks so as to retain positive cash balances.

Formatted: Indent: Left: 0"

a. Investment earnings for any given month shall be allocated to funds based upon that fund's liquidity investment balance as it relates to the entire liquidity investment portfolio

b. the Director of Finance & Treasurer shall review cash balances monthly for purposes of allocating balances to the reserve investment portfolio.

~~168. POLICY AND PERFORMANCE REVIEW AND PERFORMANCE MEASUREMENT~~

~~This investment policy shall be reviewed each year during the first quarter at least every third year. There is no management benchmark for comparing portfolio performance of these funds.~~

Formatted: Indent: Left: 0"

Policy Revised	March , 2019	Resolution 2019-
Policy Revised:	May 3, 2016	Resolution 2016-7196
Policy Revised:	May 6, 2014	Resolution 2014-6985
Policy Revised:	March 6, 2012	Resolution 2012-6789
Policy Revised	March 1, 2011	Resolution 2011-6697
Policy Revised:	February 2, 2010	Resolution 2010-6625

Policy Revised:	February 6, 2009	Resolution 2009-6520
Policy Revised:	September 9, 2008	Resolution 2008-6480
Policy Established:	September 9, 2003	Resolution 2003-5584

STATE OF WISCONSIN : CITY OF FRANKLIN : MILWAUKEE COUNTY

RESOLUTION NO. 2019-7532

A RESOLUTION TO AMEND THE DEBT POLICY STATEMENT FOR THE CITY OF
FRANKLIN

WHEREAS, the City of Franklin has issued debt for many years; and

WHEREAS, the Common Council adopted Resolution 2008-6481 defining a Debt Policy; and

WHEREAS, the Finance Committee reviewed a Debt Policy Statement Dated September 8, 2008 at the July 23, 2019 Committee meeting recommending certain changes to the Policy clarifying the definition of Debt Service Levy; and

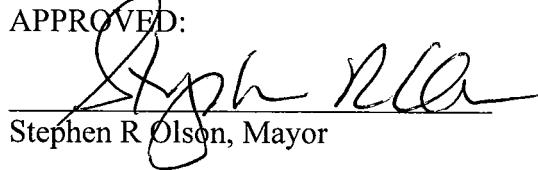
WHEREAS, the Finance Committee noted that projections of future debt levels will likely exceed the 40% of State Debt limits with the need to balance that limit with capturing opportunities for economic development.

NOW, THEREFORE, BE IT RESOLVED, by the Mayor and Common Council of the City of Franklin that the Debt Policy Statement dated August 6, 2019 is approved.

Introduced at a regular meeting of the Common Council of the City of Franklin this 6th day of August, 2019.

Passed and adopted at a regular meeting of the Common Council of the City of Franklin this 6th day of August, 2019.

APPROVED:


Stephen R. Olson, Mayor

ATTEST:


Sandra L. Wesolowski, City Clerk

AYES 6 NOES 0 ABSENT 0

This page left intentionally blank.

**City of Franklin
Finance Department Policy/Procedure**

Subject: Debt Policy

Issue Date: August 6, 2019

Source: Director of Finance & Treasurer

Affected

Departments: All

Purpose: Issue debt and manage debt portfolio to ensure that the City maintains a sound debt position and that its credit quality is protected. Recognizing that access to capital markets over the long term is dependent upon the City's unwavering commitment to full and timely repayment of debt.

Policy: The City may issue bonds and notes for purposes of financing its capital improvements program, to refund existing debt and to provide financing for its Tax Incremental Financing Districts. The capital improvements program includes projects to acquire, plan, design, construct, improve and equip all or any part of its facilities or systems, promote economic development or to secure quality of life issues. Tax Incremental Financing Districts are limited areas that have been created to provide infrastructure to promote economic development.

The City will strive to continue to maintain a balanced relationship for financing its capital improvements through using pay as you go financing for its local street repaving program and for major equipment replacement purchases.

The Finance Committee will review each debt offering for compliance with this policy.

Debt Limitations:

Section 67.03 of Wisconsin Statutes requires that general obligation debt outstanding shall not exceed 5% of the equalized valuation of the taxable property within the City. Revenue bonds and notes are not considered debt for purposes of determining compliance with constitutional debt limitations. The City intends to keep outstanding general obligation debt within 40% of the limit prescribed by law and at levels consistent with its credit objectives and long-term financial plan.

2019 projections indicate that exceedance of the 40% limit is likely – which should cause Common Council to review the situation or modify the policy.

Types of Debt and Structural Features:

The City has statutory authority to finance capital improvements through the issuance of debt instruments, including:

- General Obligation Notes
- General Obligation Bonds
- Bond Anticipation Notes
- Revenue Bonds
- State of Wisconsin Capital Financing Programs
- Leases and Land Contracts

The City shall issue General Obligation Notes (maximum ten year maturity) for general capital improvements and shall use General Obligation or Revenue Bonds (maximum twenty year maturity) for Major capital projects, Buildings, Water, Wastewater and Stormwater utility capital financing unless staff demonstrates other authorized debt instruments provide a financial advantage. Staff will consider the useful life of the project assets being financed and the long-range financial and credit objectives when determining the final maturity structure of any debt issue. The City will issue debt on a fixed rate basis and intends to maintain 70% of the debt due within ten years.

The City may also issue debt on behalf of for-profit or non-profit corporations when doing so would promote economic development or secure quality of life issues. Prior to issuing such debt, the corporation shall provide substantive proof acceptable to the City that no budget appropriation shall be required to repay the debt. The City shall not issue debt on behalf of a non-profit corporation if doing so would prevent the City from issuing “bank qualified” debt for its own purposes without compensation from the non-profit corporation to cover the additional debt service cost.

Capital lease financing shall be considered only if verifiable operating savings when properly discounted outweigh the lease financing costs. Written justification detailing the explanation of factors considered including a cash flow analysis reviewed by Staff and submitted to the Finance Committee for consideration and approval before any lease is entered into.

Credit Objectives:

The City will seek to maintain or improve its current credit rating with Moody's: General (Aa2). The City will strive to maintain good relations with the rating agency and keep them informed of significant developments that could affect the City's credit rating.

In order to achieve its credit rating objective, the City recognizes the need to integrate the debt policy with its capital improvement program and long-range financial plans. The following objectives will be used to maintain debt service requirements at an affordable level and enhance the credit quality of the City:

- Levy for debt service no greater than 20% of the total tax levy with an effort to maintain the levy at a proportionate even level for tax rate stabilization. (Excluding TID Debt Service Levy).
- Responsible defeasance of general debt or reduction of current year borrowing package in conjunction with the General Fund Balance Policy.
- Flexibility to fund future expenditures necessary to provide essential City services and economic viability.

Method of Sale

The City will normally issue general obligation debt through a competitive bidding process with the exception of Council authorized negotiated sales or State of Wisconsin Capital Financing Programs. Bids will be awarded on a true interest cost (TIC), providing other bidding requirements are satisfied. In the instances in which staff believes competitive bidding produced unsatisfactory bids, the Council may authorize staff to negotiate the sale of the securities.

Negotiated sales of general obligation debt will be considered in circumstances when the complexity of the issue requires specialized expertise (such as advanced refunding to restructure debt service), when time to complete a sale is critical or when a negotiated sale would result in substantial cost savings. Negotiated sales of debt will also be considered for revenue bonds, bond anticipation notes, leases and land contracts when the complexity of the project, revenue source for debt service, or security for the debt makes it likely that a negotiated sale would result in a financial advantage to the City.

Debt sold directly to the State of Wisconsin will be used when the City undertakes capital projects to maintain permit compliance, pollution control, or stormwater control or other issues that are eligible to receive below market rate loans.

Refundings

Periodic reviews of outstanding debt will be undertaken to determine any refunding opportunities. Refunding will be considered (within federal tax law constraints) if and when there is a net economic benefit of the refunding.

In general, advance refundings for economic savings will be considered when net present value savings of at least 2% of the refunded debt can be

achieved. Current refundings that produce net present value savings of less than 2% savings may be considered when there is a compelling public policy or long-range financing policy objective.

Disclosure

The City is committed to full and complete financial disclosure, and to cooperating fully with rating agencies, institutional investors, bond insurers, other units of government, and the general public to share clear, comprehensible, and accurate financial information.

The Finance Department will provide continuing disclosure in compliance with continuing disclosure certifications made at the time of each debt issuance.

Financial Advisor and Bond Counsel

Selection of bond counsel and financial advisor will undergo periodic review.

Policy Established: September 8, 2008 Resolution 2008-6481

Policy Review Date: September 2012

Policy Review Date: August 6, 2019 Resolution 2019-

\\finance\\finance policies\\151-06-001 Debt Policy

STATE OF WISCONSIN: CITY OF FRANKLIN: MILWAUKEE COUNTY

RESOLUTION NO. 2015-7096

A RESOLUTION TO ADOPT PURCHASING CARD POLICIES AND PROCEDURES FOR
THE CITY OF FRANKLIN

WHEREAS, Department Heads use personal funds for incidental City purchases; and

WHEREAS, vendor relationships are created for incidental purchases that require expensive infrastructure to process payments, and

WHEREAS, Purchasing card programs have been established by several vendors that offer means to consolidate these incidental purchases onto one monthly billings, and

WHEREAS, these Purchasing card programs offer participating Wisconsin municipalities additional savings by directing payments thru the Purchasing card programs, and

WHEREAS, it is in the interest of the City of Franklin to participate in a Purchasing card program.

NOW, THEREFORE, BE IT RESOLVED, that a Purchasing Card program be adopted by the City of Franklin with the following Policies

1. City Purchasing cards will be issued to Department Heads and other department staff as requested by department heads with the approval of the Director of Finance & Treasurer and the Mayor.
2. Purchasing cards will be subject to appropriate limits based upon the employee's position and job responsibilities. Maximum limits as follows:
 - a. Per transaction – as determined by the Director of Finance & Treasurer.
 - b. Daily – as determined by the Director of Finance & Treasurer.
 - c. Monthly \$10,000 per cardholder.
 - d. Finance Department would have available card with \$150,000 limit for payment of certain products/services included in the state contract vendor list. Invoices are still subject to all budgetary controls on transactions.
3. Splitting transactions to avoid transaction or daily limits are expressly prohibited.
4. Purchasing cards to be used only for City purposes. Personal purchases of any type are never allowed.
5. Each card holder is personally responsible for all use of that card except for fraud protection provided by issuer until reported lost/stolen to the card issuer. Card holder agrees to strive to obtain the best value for the City when using the card.
6. The following purchases are never permitted except with written permission by the Mayor, subject to re-imbursement by the card holder where appropriate:

- a. Alcoholic beverages [exceptions as may be granted in the event of a special circumstance or an event where alcohol may be included as a component of an event or ticket price].
 - b. Tobacco products.
 - c. Gift cards.
 - d. Controlled substances.
 - e. Capital equipment and upgrades.
 - f. Construction, renovation or installation services.
 - g. Maintenance agreements.
 - h. Personal items or loans.
 - i. Purchases involving trade-in of City property.
 - j. Rentals (other than short term-autos and otherwise allowed by card issuer program).
 - k. Telephones, related equipment or services (unless otherwise permitted by card issuer program).
 - l. Any other items deemed inconsistent with City services or activities
 - m. Cash advances.
7. Cardholders should avoid transactions that include transactions fees for use of the card.
 8. Cardholders are required to sign an agreement indicating they accept these terms. Individuals who do not adhere to these policies and procedures risk revocation of their card privileges and/or disciplinary action. An individual perpetrating fraud or theft committed through use of a card will be subject to disciplinary action and/or a criminal complaint.
 9. Required receipts/documentation provided for each purchase with monthly statements. Repeated failure to provide this information would result in revocation of the card privilege
 10. Department heads remain responsible for budgetary controls on expenditures.

BE IT FURTHER RESOLVED that procedures for handling card transactions shall include:

1. Cards may be requested for prospective cardholders by written request to the Director of Finance & Treasurer.
2. Statements will be rendered by the issuer to the Finance Department, who will circulate individual statements to card holders. Cardholders are to provide itemized receipts for approval to Department Head (or in the case of the Department Head to their supervisor) for approval. The approved statement is then forwarded to Finance for timely payment. The bank program requires quick payment terms to afford maximum City advantage of program benefits, as such timely processing of approvals is requested to be in Finance within ten days.

3. In the case of meals, each receipt must include the name of the person(s) involved, and a brief description of the business purpose of the purchase.
4. Card holders should immediately notify the Director of Finance & Treasurer of any transactions they do not recognize.
5. Finance department will review each report for appropriate or questionable charges and consult with department head and or Mayor on issues.
6. All monthly statements submitted for payment must include the dated approval of the cardholder and Department Head (manual or electronic).
7. All monthly statements submitted for payment must have the appropriate account number(s) and the associated amounts.
8. Cardholders should use reasonable effort to ensure that purchases do not include sales tax. Tax exempt certificates are available through the Finance Dept.

Introduced at a regular meeting of the Common Council of the City of Franklin this 2nd day of June, 2015 by Alderman Dandrea.

Passed and adopted at a regular meeting of the Common Council of the City of Franklin this 2nd day of June, 2015.

APPROVED:



Stephen R. Olson, Mayor

ATTEST:



Sandra L. Wesolowski, City Clerk

AYES 5 NOES 0 ABSENT 1 (Ald. D. Mayer)

This page left intentionally blank.