

MEETING AGENDA
FINANCE & PERSONNEL COMMITTEE OF THE
PLYMOUTH COMMON COUNCIL
COUNCIL CHAMBERS
128 SMITH STREET
CITY OF PLYMOUTH, WISCONSIN
TUESDAY, APRIL 28, 2026 @ 6:15 PM

Members Present:

____ Mayor Pohlman
____ Angie Matzdorf
____ Jeff Tauscheck
____ Diane Gilson
____ Mike Penkwitz

Staff:

____ Tim Blakeslee
____ Anna Voigt

Other:

1. Call to Order and Roll Call.
2. Approval of Meeting Minutes for April 14, 2026 meeting
3. Appoint a Chairperson
4. Proposed updated Organizational Structure/Salary Schedule Updates
5. Proposed updates to Budget, Financial, And Investment Policies (Includes Health Fund/Capital Fund Balance/Purchasing Policy)
6. Motion to go into Closed Session
7. Pursuant to Wis. Stat. 19.85 (c) for considering, employment, promotion, compensation or performance evaluation data of any public employee over which the governmental body has jurisdiction or exercises responsibility – Discussion on 2026 Wage Resolution
8. Motion to go into Open Session
9. Discussion and Possible Action on Closed Session Items
10. Adjournment

It is possible that members of and possibly a quorum of members of other governmental bodies of the municipality may be in attendance at the above stated meeting to gather information. No action will be taken by any governmental body at the above stated meeting other than the governmental body specifically referred to above in this notice.

Please note that, upon reasonable notice, efforts will be made to accommodate the needs of disabled individuals through appropriate aids and services. For additional information or to request this service, please contact the City of Plymouth ADA Coordinator Leah Federwisch, located in the Plymouth Utilities office at 900 County Road PP, Plymouth, WI or call 920-893-3853.

UNOFFICIAL MINUTES

FINANCE & PERSONNEL COMMITTEE OF THE
PLYMOUTH COMMON COUNCIL
COUNCIL CHAMBERS
128 SMITH STREET
CITY OF PLYMOUTH, WISCONSIN

TUESDAY, APRIL 14, 2026 @ 6:15 PM

- 1. Call to Order and Roll Call.:** Chairperson Penkwitz called the meeting to order at 6:15 PM. On the call of the roll, the following were present: Mayor Pohlman, Angie Matzdorf, Diane Gilson, Jeff Tauscheck, and Mike Penkwitz. Also present: Dave Herrmann, Kevin Sande, John Binder, City Administrator/Utilities Manager Tim Blakeslee, Police Chief Ken Ruggles and City Clerk/Deputy Treasurer Anna Voigt.
- 2. Approval of Meeting Minutes for March 24, 2026 meeting:** Motion was made by Gilson/Pohlman to approve the minutes from March 24. A unanimous aye vote was cast. Motion carried.
- 3. Motion to go into Closed Session:** Motion was made by Pohlman/Matzdorf to go into closed session. Upon the call of the roll, all voted aye. Motion carried.
- 4. Pursuant to Wis. Stat. 19.85 (c) for considering, employment, promotion, compensation or performance evaluation data of any public employee over which the governmental body has jurisdiction or exercises responsibility – Discussion on updated 2026 Wage Resolution**
- 5. Motion to go into Open Session:** Motion was made by Pohlman/Gilson to go into open session. Upon the call of the roll, all voted aye. Motion carried.
- 6. Adjournment:** Motion was made by Pohlman/Matzdorf to adjourn the meeting. A unanimous aye vote was cast. Motion carried.



DATE: April 24, 2026
TO: Finance and Personnel Committee
FROM: Tim Blakeslee, City Administrator/Utilities Manager
RE: An Update Organizational Structure Updates / Salary Schedule

Background: I am proposing several organizational structure changes to coincide with the upcoming Phase 3 compensation and classification implementation. Staff's preference is to make all of these changes at one time so they can be implemented in a coordinated and efficient manner. The proposed changes include the following:

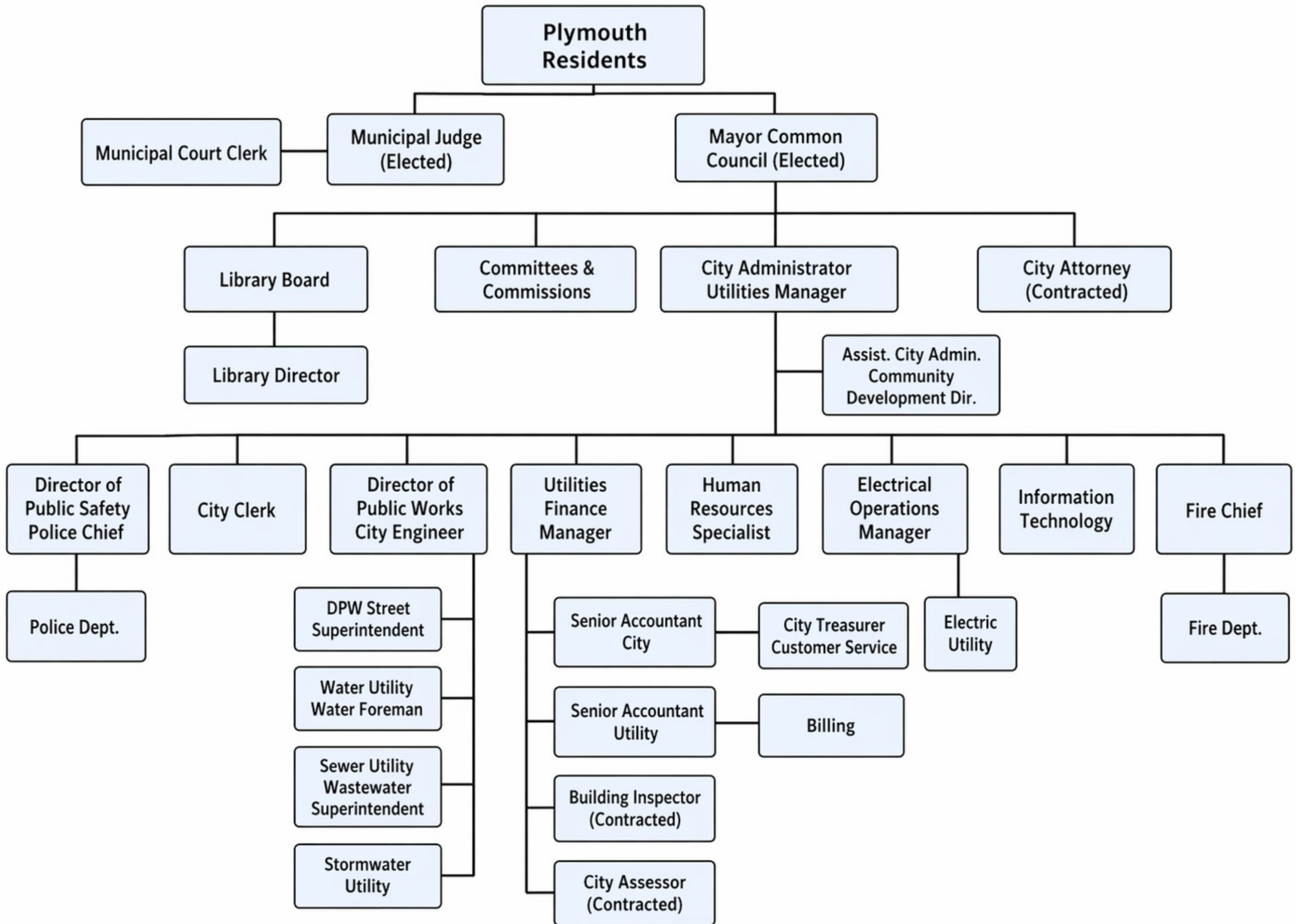
- **Fire Chief:** Establishing the position as a full department head reporting directly to the City Administrator, reflecting the scope of the role and the capabilities of the incoming chief. Fire Chief will continue to work closely with Police Chief/Director of Public Safety to coordinate community safety priorities. An updated organizational chart is attached.
- **Senior Accountant Roles:** Creating senior-level roles within the Finance Department to provide additional supervisory capacity, support the Finance Director, and create a clearer path for advancement. This would not create any new positions, but would instead reclassify existing positions. An updated organizational chart is attached.
- **Salary Schedule:** Updating the Salary Schedule related to step employees and top-end ranges, as the new system requires a few minor refinements. The updated Salary Schedule is attached.
- **Job Description Updates:** Updating job descriptions as needed to reflect the proposed organizational changes, including the Fire Chief, Senior Accountant, Director of Public Safety, and Assistant Director of Public Safety positions.

Following tonight's meeting, staff will package the information together in a resolution for Common Council consideration.

Recommendation: Recommend the Common Council move forward with the Organizational Structure Updates / Salary Schedule Updates as presented.

Attachment:

1. Updated Org Chart
2. Updated Salary Schedule



Grade	Current Title	MINIMUM	MAXIMUM
B		\$ 20.08	\$ 26.10
		\$ 41,766.40	\$ 54,288.00
	Records Person		
C		\$ 23.62	\$ 30.71
		\$ 49,129.60	\$ 63,876.80
	Senior Records Person/Municipal Court Clerk		
	Management Assistant		
	Librarian Youth Services		
	Librarian Adult Services		
	Young Adult Specialist		
D		\$ 25.51	\$ 33.16
		\$ 53,060.80	\$ 68,972.80
	Utility Account Specialist - Billing Lead		
	Utility Account Specialist - Collection Lead		
E		\$ 27.55	\$ 35.82
		\$ 57,304.00	\$ 74,505.60
	Treasurer/Deputy Clerk		
	Staff Accountant		
	Accountant		
F		\$ 28.93	\$ 37.61
		\$ 60,174.40	\$ 78,228.80
	Mechanic		
G		\$ 30.37	\$ 39.48
		\$ 63,169.60	\$ 82,118.40
	GIS Specialist		
	Wastewater Operator in Training		
	Water Operator in Training		
H1		\$ 31.89	\$ 41.46
		\$ 66,331.20	\$ 86,236.80
	Water Operator I		
	Wastewater Operator Basic II		
H2		\$ 32.85	\$ 42.71
		\$ 68,328.00	\$ 88,836.80
	Wastewater Operator Advanced II		
	Senior Wastewater Operator		
I		\$ 34.76	\$ 45.19
		\$ 72,300.80	\$ 93,995.20
	Water Foreman		
	Clerk/Deputy Treasurer		
J		\$ 37.20	\$ 48.36
		\$ 77,376.00	\$ 100,588.80
	No position		
K		\$ 39.80	\$ 51.74
		\$ 82,784.00	\$ 107,619.20
	Police Lieutenant		
	Human Resources Specialist		
	Library Director		
	Assistant Administrator/Community Development Director		
L		\$ 42.98	\$ 55.87
		\$ 89,398.40	\$ 116,209.60
	Street Superintendent		
M		\$ 46.42	\$ 60.35
		\$ 96,553.60	\$ 125,528.00
	Wastewater Superintendent		
N		\$ 50.13	\$ 65.17
		\$ 104,270.40	\$ 135,553.60
	Deputy Police Chief/Asst Director Public Safety		
	Assistant Electric Operations Manager/Electrical Engineer		
	Fire Chief		
O		\$ 54.14	\$ 70.38
		\$ 112,611.20	\$ 146,390.40
	IT Manager		
	Utilities Finance Director		
P		\$ 58.46	\$ 76.00
		\$ 121,596.80	\$ 158,080.00
	Police Chief/Director Public Safety		
	Director of Public Works/City Engineer		
	Electric Operations Manager		
AA		\$ 73.08	\$ 95.00
		\$ 152,006.40	\$ 197,600.00
	City Administrator/Utilities Manager		

Grade	Current Title	Step 1	Step 2	Step 3	Step 4M	Step 5
1	Line Clearance I Line Clearance II	\$ 30.59	\$ 31.81	\$ 33.08	\$ 34.40	35.78 to 39.78
2	Line Clearance Foreman	\$ 31.81	\$ 33.08	\$ 34.40	\$ 35.78	37.21 to 41.21
3	Electric Meter Technician I Electric Meter Technician II	\$ 36.58	\$ 38.05	\$ 39.57	\$ 41.15	42.80 to 46.80
4	Apprentice Lineman I Apprentice Lineman II Apprentice Lineman III Apprentice Lineman IV	\$ 40.24	\$ 41.85	\$ 43.53	\$ 45.27	
5	Journeyman Lineman	\$ 46.28	\$ 48.13	\$ 50.06	\$ 52.06	54.15 to 56.14
6	Lead Lineman					56.31 to 58.56
7	Line Crew Foreman					58.56 to 63.56

Grade	Current Title	A	B	C	D	E	F	G	H	I	J	K	L
E2	General Driver/Laborers	\$ 27.55	\$ 28.24	\$ 28.94	\$ 29.67	\$ 30.41	\$ 31.17	\$ 31.95	\$ 32.75	\$ 33.57	\$ 34.41	\$ 35.27	36.15 to 41.15

City of Plymouth
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DATE: April 23, 2026
TO: Finance and Personnel Committee
FROM: Tim Blakeslee, City Administrator/Utilities Manager
RE: Proposed Updates to Budget, Financial, And Investment Policies

Background:

The Plymouth Budget, Financial, and Investment Policies were last updated in 2016. While a full update and review of the policies is planned as a future project, staff is proposing several minor updates and additions at this time to improve the documents prior to a more comprehensive review.

The proposed changes are outlined below.

Addition of Health Fund Reserve Balance Recommendation

Note: The current policy does not include a Health Fund reserve balance recommendation.

Proposal:

The City shall maintain a dedicated assigned fund balance for Insurance Claims, Premiums, Contributions, and other related expenses such as legal costs and professional service costs. The reserve requirement shall take into consideration historical trends, potential pending claims and other expenses, and the status of other reserves. It is the goal of the Health Fund Reserve (unrestricted cash and investments) not be less than \$2,650,000. If the Health Fund Reserve exceeds \$2,650,000, the City Administrator/Utilities Manger may reduce the approved budgeted City/Utility share of Health Fund contributions up to the amount of excess, with Approval of Common Council. Clarification on Unassigned General Fund Reserve.

Clarification on Unassigned General Fund Reserve

Note: The current policy is ambiguous and can be read multiple ways, including whether some or all funds over the defined percentage should be transferred. The proposal reflects how this policy has been treated in recent years.

Proposal: It is the goal for the fund balance to not be less than 25% of the budgeted general fund appropriations. If the fund balance exceeds 25% of the budgeted general fund appropriations, any net income will be allocated according to the outline below, and approved by the Common Council upon completion of the annual audit or year-end City financials. Unassigned fund reserve balance are amounts that are available for any purpose and are reported only in the general fund. If the fund balance exceeds 25% of the budgeted general fund appropriations, any net income will be allocated to the following:

- 20% to General Fund Balance
 - 80% to Capital Projects Fund
 - Committed Fund Balance by Approval of Common Council
 - Debt Service Fund by Approval of Common Council
-

Purchasing Authority

Note: Purchasing authority is primarily budget driven and based on dollar amounts from 2016. Given general inflation and rising commodity costs, these amounts should be updated to better reflect current best practices, market conditions, and operational efficiencies.

Proposal:

Staff proposes the following purchasing authority updates:

- **Quotes:** Purchases below \$1,000 may use best judgment. Purchases from \$1,000 to \$15,000 require two formal or informal quotes. Purchases of \$15,000 or more require three formal quotes. *Current policy: Below \$1,000 may use best judgment; \$1,000 to \$5,000 requires two formal or informal quotes; \$5,000 or more requires three formal quotes.*
- **Emergency Purchases:** The City Administrator may approve up to \$50,000 in an emergency, with immediate follow-up coordination. Emergency purchases over \$50,000 require coordination with the Mayor, with additional parameters if the Mayor is unavailable. *Current policy: Maximum of \$50,000 with coordination.*
- **Budgeted Commodities:** Budgeted commodity purchases may be approved up to \$100,000 for the City and up to \$250,000 for the Utilities. *Current policy: \$50,000 for the City and \$100,000 for the Utilities. Commodity costs have increased significantly since 2016.*

• **Small Claims:** The City Administrator may settle small claims under \$5,000. *Current policy: \$1,000.*

• **Budgeted Contracts:** Budgeted contracts may be approved up to \$50,000. *Current policy: \$25,000.*

• **Capital Projects:** Capital projects may be approved up to \$75,000. *Current policy: \$25,000.*

Recommendation: Recommend the Common Council approve the Proposed Updates to Budget, Financial, And Investment Policies



Wisconsin's Heartland . . . On the Grow

Recommended by
Finance & Personnel Committee

Approved by
Plymouth Common Council

Prepared For:
Finance & Personnel Committee
City of Plymouth

Prepared By:
Brian E. Yerges
City Administrator/Utilities Manager



Wisconsin's Heartland . . . On the Grow

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Introduction to Financial Policies & Procedures

The **Budget, Financial, and Investment Policies** contain various policies related to the financial operation of the City of Plymouth. The manual was created by the City Administrator/Utilities Manager and the Finance & Personnel Committee to provide for overall fiscal control and clear direction for financial operations and management.

The policies set forth are to be updated from time to time as recommended by the Finance & Personnel Committee or Committee of the Whole, and as approved by the Plymouth Common Council. It should be noted that the **Budget, Financial, and Investment Policies** apply to both the general fund operations and the enterprise fund operations (Plymouth Utilities).

City of Plymouth

General Operations Policy

Section I. Purpose

The establishment of general operations policy statements is an important component of the City's financial management policy and planning efforts.

Section II. Objectives

A. Accounting

- The City will establish and maintain the accounting systems according to GAAP, the State of Wisconsin Uniform Chart of Accounts, Public Service Commission of Wisconsin, or other Chart of Accounts as approved by the Common Council.
- An annual audit of all funds will be performed by an independent public accounting firm which will issue an official opinion on the annual financial statements. In addition, full disclosure will be provided in the financial statements and bond representations.
- Financial systems will be maintained to monitor expenditures and revenues on a monthly basis and all revenue collections will be consolidated under the Office of the Clerk/Treasurer or in the case of Plymouth Utilities, the Utilities Finance Manager. A cash-flow analysis, including disbursements, collections, and investments, will be prepared from time to time, with assistance from the city's financial consultants, indicating that sufficient cash is available for daily financial needs.
- Encumbrances represent commitments related to unperformed contracts for goods or services, and will be recorded when incurred. Encumbrances outstanding at year-end will be reported as reservations of fund balance.
- The City will establish and maintain a depreciation schedule based on the straight-line method. The useful life of capital assets will be based on internal information, information on comparable assets from other governments, and general guidelines from professional or industry organizations.

B. Revenue

- Each year and whenever appropriate, existing revenues will be re-examined and possible new sources of revenues will be explored to ensure that we are maximizing our revenue potential in order to support the desired level of service.
- Legally restricted revenues will be avoided when they adversely affect the short or long-term financial health of our government. One-time revenues will be used for capital improvements or as legally restricted to a specific purpose.

- Each year and whenever appropriate, intergovernmental revenues will be reviewed to determine their short and long-term stability, to minimize the impact of any adverse changes. Intergovernmental revenues shall be used as legally prescribed or otherwise set forth by policy.
- Any amounts due to the City will be carefully and routinely monitored. An aggressive policy of collection will be followed for all receivables, including property taxes. In addition, proprietary funds will generate revenue sufficient to support the full direct and indirect costs of these funds.
- All potential grants and other aid shall be carefully examined for matching requirements and restrictive covenants, to ensure that the city's participation in such grants will be beneficial and cost-effective.

C. Budget & Capital Improvements

- The City will pay for all current operating expenses with current revenues and will avoid budgetary procedures that balance current costs at the expense of future years, such as postponing necessary expenses, accruing future revenues, or rolling over of short-term debt for operations.
- The City will prepare and maintain a multi-year capital improvements plan (CIP) and project its equipment replacement needs for the next ten (10) years. Estimated costs of each capital improvement projected for each year will be included in the annual budget, including the impact to annual operating expenditures. The CIP will include capital expenditures for general fund activities as well as for enterprise activities (water, sewer, electric).
- Intergovernmental funding sources for capital improvements from the federal, state, and private sector will be actively sought and used as available to assist in financing of capital improvements.
- All grant applications, loan applications, or other alternative funding sources will be approved by the Common Council prior to submission to the appropriate agency and/or entity.

CITY OF PLYMOUTH

FINANCIAL INVESTMENT POLICY

Section I: PURPOSE

To establish investment objectives; to delegate authority for the execution and reporting of investments; to establish standards of prudence; to direct the development of internal control; to establish standards for Depositories, to set and establish collateral requirements; and to identify permitted investment.

Section II: SCOPE

This investment policy applies to all cash assets of the City, except:

- A. Funds which are held by an external trustee and are restricted in their investment by terms of a trust indenture; in which case the trust indenture shall regulate investment activities;
- B. Funds granted to or held in custody by the City, under terms which provide for or restrict their investment in a particular manner; in which case said provisions or restrictions shall regulate investment activities;
- C. Funds otherwise restricted by State or Federal laws or regulations; in which case said restrictions shall regulate investment activities.

Section III: GENERAL OBJECTIVES

The primary objectives of investment activities shall be the following in order of importance: safety, liquidity, and yield:

- 1. Safety: Preservation and safety of principal are the foremost objective of the investment program. Investment shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. In addition, all risks associated to City funds and investments will be disclosed on annual basis or as requested.
 - a. Credit Risk – The City will minimize credit risk, which is the risk of loss due to the failure of the security issuer or backer by:
 - Limiting investments to the types of securities listed in this Investment Policy.
 - Pre-qualifying the financial institutions, broker/dealers, intermediaries, and advisers with which the City will do business.

- Diversifying the investment portfolio so that the impact of potential losses from any one type of security or from any one individual issuer will be minimized.
- b. Interest Rate Risk – The City will minimize rate risk, which is the risk that the market value of securities in the portfolio will fall due to changes in market interest rates, by:
- Structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity.
 - Investing operating funds primarily in shorter-term securities, money market mutual funds, or similar investment pools and limiting the average maturity of the portfolio in accordance with this policy.
 - Utilizing securities with adjustable coupon rates to minimize price volatility.
2. Liquidity: The investment portfolio will remain sufficiently liquid to meet all operating requirements that might be reasonably anticipated. This is accomplished by structuring the portfolio so that securities mature concurrent with cash needs to meet anticipated demands. Furthermore, since all possible cash demands cannot be anticipated, investment portfolio(s) will consist largely of securities with active secondary or resale markets. Alternatively, a portion of any portfolio may be placed in money market mutual funds or local government investment pools which offer same-day liquidity for short-term funds.
3. Yield: The investment portfolio shall be designed with the objective of attaining a rate of return/yield throughout budgetary and economic cycles, commensurate with the City's investment risk constraints and the cash flow characteristics of the portfolio. Return on investment is of secondary importance compared to the safety and liquidity objectives described above. The core of investments is limited to low risk securities in anticipation of earning a fair return relative to the risk being assumed. Securities shall generally be held until maturity with the following exceptions:
- A security with declining credit may be sold early to minimize loss of principal.
 - A security swap would improve the quality, yield, or shorten the portfolio maturity as defined in Section VIII paragraph D of this policy.

- Liquidity needs of the portfolio require that the security be sold.

Section IV. STANDARDS OF CARE & REPORTING

A. Prudence

The City's investments shall be made with judgment and care, under prevailing circumstances, which a person of prudence, discretion, and intelligence would exercise in that management of the person's own affairs, not for speculation, but for investment, considering the safety of capital and the yield to be derived.

B. Ethics and Conflicts of Interest

Officers and employees involved in the investment process shall refrain from personal business activity that could conflict or be perceived to conflict with proper execution of the investment program, or that could impair their ability to make impartial decisions. Employees and investment officials shall disclose any material interests in financial institutions with which they conduct business. They shall further disclose any personal financial/investment positions that could be related to the performance of the investment portfolio. Employees and officers shall refrain from undertaking personal investment transactions with the same individual with whom business is conducted on behalf of the City.

C. Delegation of Authority

The Common Council (the "Council") is ultimately responsible for the investment of City funds. Furthermore, the responsibility for conducting investment transactions is delegated to the investment officers (City Administrator/Utilities Manager, City Clerk/Treasurer or Utilities Finance Manager). The investment officers may, with Council approval, receive assistance from one or more investment advisors pursuant to Wisconsin Statutes. In the absence of the City investment officers the Mayor may act as the delegated investment officer in situations of emergency. Responsibility for the operation of the investment program is hereby delegated to the investment officer(s), who shall act in accordance with established written procedures and internal controls for the operation of the investment program consistent with this investment policy (as stated in the section on safekeeping and custody). No person may engage in an investment transaction except as provided under the terms of this policy and the procedures established by the investment officers. The investment officers shall be responsible for all transactions undertaken and shall establish a system of controls to regulate the activities of subordinate officials. The investment officers shall provide annual reports regarding the investment portfolio and holdings to the Finance & Personnel Committee.

D. Reporting Requirements

The City investment officer(s) or the appropriate designee shall report investment portfolio performance to the Finance & Personnel Committee or Common Council at least annually or when a specific request is made. The report will summarize the investment strategies employed; describe the portfolio in terms of investment securities, maturities, risk characteristics and other factors. The report will indicate any areas of policy concern and suggested or planned revision of investment strategies.

E. Internal Controls

The City Clerk/Treasurer and Utilities Finance Manager shall establish a system of internal controls, which shall be reviewed from time to time by the Finance & Personnel Committee and/or City Administrator/Utilities Manager. The internal controls shall be reviewed by an independent certified public accountant in conjunction with the annual examination of the financial statements of the City. The controls shall be designed to forecast cash flows, maximize the investment of available balances, fully report results of investment activities and prevent losses of public funds arising from fraud, employee error, misrepresentation by third parties, unanticipated changes in financial markets, or imprudent action by employees and officers of the City.

All purchases and sales of investment securities must be authorized by the investment officer(s), or in one's absence, the Mayor. All bank accounts shall be reconciled on a monthly basis and shall be completed in a reasonable time after the receipt of the monthly bank statement.

Section V. AUTHORIZED FINANCIAL INSTITUTIONS, DEPOSITORIES, AND BROKER/DEALERS

A. Depositing of Funds

All currency, checks, drafts or other funds in any form payable to the bearer, or endorsed for payment, shall be promptly deposited in an approved Depository, so designated by the Common Council. The Common Council shall approve a list of acceptable depositories by an official written resolution.

Designation by the Council shall be given only when the financial institution meets all Public Depository requirements provided for by applicable State and Federal laws and regulations, and the following additional criteria:

1. Deposit Insurance

The financial institution is a member of the Federal Deposit Insurance Corporation (FDIC) and deposits made with the financial institution are insured to the maximum permitted by the FDIC.

2. Depository Agreement

The City may require any financial institution acting as a depository for the City to enter into a “depository agreement” requiring the depository to:

- a. Pledge collateral to secure amounts over and above guaranteed amounts. All securities serving as collateral shall be specifically pledged to the City (not as part of a pooled fund). The City may require collateral to be placed into a custodial account at a Federal Reserve Bank, a trust department of a commercial bank, or through another financial institution.
- b. Require the custodian to send statements of pledged collateral to the City Clerk/Treasurer or Deputy Treasurer, or Utilities Finance Manager on a regular basis and as requested by the City.
- c. Provide the City normal banking services, including, but not limited to: checking accounts, wire transfers, purchase and sale investment securities and safekeeping services. Fees, if any, shall be mutually agreed to by an authorized representative of the depository bank and the City.

B. Preferences for Local Financial Institutions

All else being equal comparing financial institutions meeting the criteria set forth, the Finance & Personnel Committee and Common Council will give preference in selection to those financial institutions who maintain offices in the City of Plymouth.

Section VI. COLLATERALIZATION

A. Collateral Required

All City funds held in City Depositories which are not held in investment securities registered in the name of the City shall to the extent they exceed federal deposit insurance and state public deposit security fund coverage limits, be collateralized as provided in this Section.

B. Form of Collateral

Except as provided in Subparagraph a. of Subsection C.1. of this Section, collateral shall be pledged in the name of the City and must be one of the following:

1. Securities of the U.S. Treasury or U.S. Governmental Agency as defined by the Federal Reserve.

If held herein, the collateral may consist of any reserves deemed acceptable by the Federal Reserve Bank to meet other reserve requirements of the Depository provided it is held in a sub-account which names the City as beneficiary.

2. Direct obligations of U.S. government agencies (such as the Small Business Administration and the Government National Mortgage Association) and U.S. sponsored enterprises (such as the Federal Home Loan Bank, the Federal Farm Credit Bank and the Federal national Mortgage Association). U.S. government-sponsored entities (GSEs) and associated “mortgage backed” or “mortgage pool” securities are permitted with the advice of the City’s investment advisors.
3. General obligations of states or municipalities provided they are rated in the highest or second highest rating categories by Moody Investors Service, Inc., Standard and Poor’s Corporation or Fitch Investors Service, L.P.

C. Valuation of Collateral

1. Valuation: Collateral must be compared to market not less frequently than monthly and its value reported on the monthly statement.
2. Sufficiency: The value of the collateral must equal 102% of the amount requiring collateralization. Additional collateral is to be requested when the monthly statement indicates a deficiency.

D. Substitution of Collateral

Collateral agreements are to prohibit the release of pledged assets without the authorization of the investment officer, however, exchanges of collateral of like value are to be permitted.

Section VII. AUTHORIZED INVESTMENTS

Funds of the City which are not immediately needed for payment of obligations shall be invested to the greatest extent practical, in accordance with applicable Wisconsin Statutes, if the funds have been appropriated for the payment of debt service, and Wisconsin Statute or if the funds are to be used for any other purpose. The following investment securities, subject to limitations and restrictions as defined in Wisconsin Statute 66.0603 (1m), are permissible investments.

1. U.S. Treasury Obligations and Government Agency Securities.

2. Certificates of Deposit.
3. Municipal General Obligations.
4. State of Wisconsin Investment Board's Local Government Investment Pool.
5. Repurchase Agreements.
6. Operating Bank Account.
7. Money Market Funds.
8. Commercial Paper.

Section VIII. INVESTMENT TRANSACTIONS & PARAMETERS

A. Co-mingling of Funds

The investment officer may pool cash from several different funds for investment purposes, provided such co-mingling is permitted by law, and records are maintained which show that interest earned on such investments has been fairly allocated to each originating fund.

B. Securities Firms

The investment officer is authorized to execute purchases and sales of Permitted Securities with City Depositories or with securities firms previously approved by the Common Council, (the "Approved List"). Such firms must be a member of the Financial Industries Rulemaking Authority (FINRA) and/or registered with the U.S. Securities and Exchange Commission, the Municipal Securities Rulemaking Board or the Wisconsin Department of Financial Institutions.

C. Diversification

The investment policy incorporates the investment strategy and as such, will allow for diversification of investments to the extent practicable considering yield, collateralization, investment costs, and available bidders. Diversification by investment institutions shall be determined by an analysis of yield, collateral, investment costs, and available bidders. Diversification by types of securities and maturities may be as allowed by this policy and Wisconsin State Statutes.

D. Maximum Maturities

To the extent possible, the City will attempt to match its investments with anticipated cash flow requirements. However, the maximum maturities for any single investment shall not exceed five (5) years, except for reserve funds. The maximum dollar-weighted average maturity for pooled

investments will not exceed three (3) years. Reserve funds may be invested in securities not to exceed ten (10) years if the maturity of such investments are made to coincide as nearly as practicable with the expected call date or final payment date, whichever is shorter. For securities with adjustable rate coupons, the average time to coupon reset will be used as a measure of average maturity.

Section IX. APPROVAL OF INVESTMENT POLICY AND AMENDMENT

This investment policy is intended to clarify, amend, and supersede existing investment policies. The Finance & Personnel Committee is delegated the authority to amend this Investment Policy from time to time as it deems such action to be in the best interest of the City. Any such amendment shall be promptly recommended to the Common Council for consideration and approval. When amendment occurs, any investment currently held that does not meet the guidelines of the amended policy, shall be temporarily exempted from the requirements of this policy. Investments must come in conformance with the amended policy within twelve (12) months of the policy's adoption or the Finance & Personnel Committee must be presented with a plan through which investments will come into conformance.

City of Plymouth

Fund Balance Policy

Section I. Purpose

The establishment of a formal fund balance policy is an important component of the City's financial management policy. Maintaining appropriate levels of fund balance is a key element of the City's overall financial health. This policy is intended to set targets for the desired level of fund balances, identify the approach to maintain these levels, and to provide guidelines for the use of fund balance.

Section II. Objectives

- A. To insulate the City from large, unanticipated one-time expenditures or revenue reductions resulting from external changes or events.
- B. To provide funds to allow the City to respond to unforeseen emergencies.
- C. To help stabilize the City's tax levy due to a temporary reduction in non-property tax revenue.
- D. To provide sufficient working capital to eliminate the need for short-term borrowing due to the timing of the receipt of short-term receivables and the remittance of short-term payables.
- E. To strive to maintain at least an unassigned general fund balance equal or above the range of 20% to 25% of budgeted general fund appropriations. In determining the acceptable range of unassigned general fund balance, the City considered the following factors:
 - Historical stability of the City's revenues, expenditures and mil rate.
 - Timing of revenue collections in relation to payments made for operational expenditures.
 - Anticipated growth in the City's valuation and/or services to be provided to City residents.
 - The adopted capital improvement plan and any non-routine capital projects such as new buildings or large equipment purchases.
- F. Apply any operational surplus at the end of any fiscal year to the reserve for working capital if necessary to meet policy minimums. In addition, the Finance & Personnel Committee may recommend the designation of surplus to an unreserved-designated fund balance.

- G. Eliminate the budgeted use of unassigned fund balance if its use would reduce the available balance below policy minimums. Fund balance should be utilized only in extreme cases and as approved by the Common Council.

Section III. Balance Requirements & Definitions

The City recognizes that unassigned fund balances are targeted objectives to ensure the long-term stability of the City's finances. From time to time, upon Common Council authorization, the unassigned funds may not contain the stated goal. This is done with the understanding that it is in the best interests of the taxpayers and most cost effective manner to utilize the reserve funds.

- A. Unassigned General Fund Reserve – It is the goal for the fund balance to not be less than 25% of the budgeted general fund appropriations. If the fund balance exceeds 25% of the budgeted general fund appropriations, any net income will be allocated according to the outline below, and approved by the Common Council upon completion of the annual audit or year-end City financials. Unassigned fund reserve balance are amounts that are available for any purpose and are reported only in the general fund.

If the fund balance exceeds 25% of the budgeted general fund appropriations, any net income will be allocated to the following:

- 20% to General Fund Balance
- 80% to Capital Projects Fund
- Committed Fund Balance by Approval of Common Council
- Debt Service Fund by Approval of Common Council

- B. Restricted General Fund Balance – Government funds classified as “restricted” are balances with constrictions placed on the use of resources by creditors, grantors, contributors or laws or regulations of other governments. Examples would include the CDBG Housing Grant funds, bond proceeds, or Tax Incremental Finance District funds. The legal constrictions outline how the funds are to be used.

- C. Committed Fund Balances – Fund balances classified as “committed” can only be used for specific purposes pursuant to constraints imposed by the Common Council through an official resolution or ordinance. The committed fund balances may also include contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements. The resolution or ordinance outlines the intent of the committed fund balances. Committed funds for the general fund include the Self-Health Insurance Fund, Self Property and Liability Insurance Fund, Capital Projects Fund, and the Committed-Other Fund (previously Unreserved-Designated).

- D. Non-spendable Fund Balance – The “non-spendable fund balance” classification would include items that not expected to be converted to cash. An example would include pre-paid postage.

- E. Assigned Fund Balance – The “assigned fund balance” classification are constrained by an intent that the moneys so designated be used for specific purposes but are neither restricted nor committed.
- F. Utility/Enterprise Fund Reserve – The fund balance (unrestricted cash and investments) for the Utility/Enterprise Fund Reserves shall strive to be in the range of 25% to 30% of annual billings.

Amounts over the 25% to 30% may be allocated to the following:

- Utilities Capital Projects Fund
- Equipment Reserve Fund

- G. Health Fund Reserve – The City shall maintain a dedicated assigned fund balance for Insurance Claims, Premiums, Contributions, and other related expenses such as legal costs and professional service costs. The reserve requirement shall take into consideration historical trends, potential pending claims and other expenses, and the status of other reserves. It is the goal of the Health Fund Reserve (unrestricted cash and investments) not be less than \$2,650,000. If the Health Fund Reserve exceeds \$2,650,000, the City Administrator/Utilities Manger may reduce the approved budgeted City/Utility share of Health Fund contributions up to the amount of excess, with Approval of Common Council.

- H. Risk Management Fund Reserve – The City shall maintain a dedicated assigned fund balance for Liability Claims, Property Claims, Auto Physical Damage Claims, Crime Coverage Claims, Employment Practices Liability Claims, Privacy Protection & Network Liability Insurance Claims, Workers Compensation Insurance and related Claims expenses such as legal costs and other professional service costs. The reserve requirement shall take into consideration the historical trends, potential pending claims against the City, status of other reserves, and overall risk associated to policy deductibles and self-insured retentions.

The risk management fund will include a contingency reserve in an amount equal to the following:

Liability Insurance Coverage	\$100,000
100% of Self-Insured Retention (4 x \$25,000)	
Auto Physical Damage Deductible (4x Deductible)	\$10,000
Boiler & Machinery Coverage (2x Deductible)	\$5,000
Crime Coverage (1x Deductible)	\$20,000
Employment Practices Liability (2x Deductible)	\$50,000
Privacy Protection & Network Liability Deductible*	\$10,000
*Cyber security policy (1x Deductible)	

Municipal Property Insurance Corp. (3x Deductible) \$45,000

Minimum Reserve Requirements: \$240,000

Reserve Fund Replenishment – Claims paid from the risk management fund reserve assigned fund balances shall be replenished the following fiscal year in an amount to bring the fund to a minimum of 75% of the reserve requirements and to 100% within two fiscal years. Reserve fund replenishment may come from unassigned fund balances, budgeted funds, or insurance dividend income.

City of Plymouth

Debt Management Policy

Section I. Purpose

Debt can be an effective way to finance capital improvements. Properly managed debt preserves credit ratings, provides flexibility in current and future operating budgets, and provides long-term assets that maintain or improve our quality of life. To provide for the appropriate issuance and responsible use of debt, the City has adopted the following (below) debt management policy objectives.

Section II. Objectives

- A. Long-term debt will be issued only for objects or purposes having a period of probable usefulness of at least five years.
- B. Short-term debt should be limited, but may be issued whenever appropriate for objects or purposes having a period of probable usefulness of at least five years, when deemed financially prudent.
- C. Debt maturity will not exceed the lesser of: the useful life, or the period of probable usefulness, of the object or purpose so financed.
- D. The annual operating budgets of all funds will be maintained so as to ensure the full and timely repayment of debt principal and interest due that year.
- E. The total amount of outstanding debt will comply with Wisconsin State Statutes.
- F. Good communications will be maintained with bond rating agencies, bond counsel, banks, financial advisors, and others involved in debt issuance and management.
- G. Comprehensive annual financial reports and official statements will reflect the City's commitment to full and open disclosure concerning debt.
- H. All revenue debt shall be in compliance with bond covenants and the utilities will have debt coverage ratios of at least 1.25 times the specified debt service requirements (revenues less operating expenses = 1.25).
- I. Except for unique circumstances, General Obligation debt shall not exceed 60% of the City's legal debt limit (5% of equalized property value). Under no circumstances except for the case of extreme emergency, shall the city exceed more than 80% of the City's debt limit (4% of equalized value).

City of Plymouth

Post-Issuance Compliance Policy for Tax-Exempt and Tax-Advantaged Obligations

Section I. Purpose

This Post-Issuance Compliance Policy (the “Policy”) sets forth specific policies of the City of Plymouth, Wisconsin (the “Issuer”) designed to monitor post-issuance compliance of tax-exempt obligations or tax-advantaged obligations (“Obligations”) issued by the Issuer with applicable provisions of the Internal Revenue Code of 1986, as amended (the “Code”), and regulations promulgated thereunder (“Treasury Regulations”).

The Policy documents practices and describes various procedures and systems designed to identify on a timely basis facts relevant to demonstrating compliance with the requirements that must be satisfied subsequent to the issuance of Obligations in order that the interest on such Obligations continue to be eligible to be excluded from gross income for federal income tax purposes or that the Obligations continue to receive tax-advantaged treatment. The federal tax law requirements applicable to each particular issue of Obligations will be detailed in the arbitrage or tax certificate prepared by bond counsel and signed by officials of the Issuer and the post-closing compliance checklist provided by bond counsel with respect to that issue. This Policy establishes a permanent, ongoing structure of practices and procedures that will facilitate compliance with the requirements for individual borrowings.

The Issuer recognizes that compliance with applicable provisions of the Code and Treasury Regulations is an on-going process, necessary during the entire term of the Obligations, and is an integral component of the Issuer’s debt management. Accordingly, the analysis of those facts and implementation of the Policy will require on-going monitoring and consultation with bond counsel and the Issuer’s accountants.

Section II. General Policies and Procedures

The following policies relate to procedures and systems for monitoring post-issuance compliance generally.

- A. The City Administrator/Utilities Manager (the “Compliance Officer”) shall be responsible for monitoring post-issuance compliance issues.
- B. The Compliance Officer will coordinate procedures for record retention and review of such records.
- C. All documents and other records relating to Obligations issued by the Issuer shall be maintained by or at the direction of the Compliance Officer. In maintaining such documents and records, the Compliance Officer will comply with applicable

Internal Revenue Service (“IRS”) requirements, such as those contained in Revenue Procedure 97-22.

- D. The Compliance Officer shall be aware of options for voluntary corrections for failure to comply with post-issuance compliance requirements (such as remedial actions under Section 1.141-12 of the Regulations and the Treasury’s Tax-Exempt Bonds Voluntary Closing Agreement Program) and take such corrective action when necessary and appropriate.
- E. The Compliance Officer will review post-issuance compliance procedures and systems on a periodic basis, but not less than annually.

Section III. Issuance of Obligations – Documents and Records

With respect to each issue of Obligations, the Compliance Officer will:

- A. Obtain and store a closing binder and/or CD or other electronic copy of the relevant and customary transaction documents (the “Transcript”).
- B. Confirm that bond counsel has filed the applicable information report (e.g., Form 8038, Form 8038-G, Form 8038-CP) for such issue with the IRS on a timely basis.
- C. Coordinate receipt and retention of relevant books and records with respect to the investment and expenditure of the proceeds of such Obligations with other applicable staff members of the Issuer.

Section IV. Arbitrage

The following policies relate to the monitoring and calculating of arbitrage and compliance with specific arbitrage rules and regulations. The Compliance Officer will:

- A. Confirm that a certification of the initial offering prices of the Obligations with such supporting data, if any, required by bond counsel, is included in the Transcript.
- B. Confirm that a computation of the yield on such issue from the Issuer’s financial advisor or bond counsel (or an outside arbitrage rebate specialist) is contained in the Transcript.
- C. Maintain a system for tracking investment earnings on the proceeds of the Obligations.
- D. Coordinate the tracking of expenditures, including the expenditure of any investment earnings. If the project(s) to be financed with the proceeds of the Obligations will be funded with multiple sources of funds, confirm that the Issuer

has adopted an accounting methodology that maintains each source of financing separately and monitors the actual expenditure of proceeds of the Obligations.

- E. Maintain a procedure for the allocation of proceeds of the issue and investment earnings to the expenditures, including the reimbursement of pre-issuance expenditures. This procedure shall include an examination of the expenditures made with proceeds of the Obligations within 18 months after each project financed by the Obligations is placed in service and, if necessary, a reallocation of expenditures in accordance with Section 1.148-6(d) of the Treasury Regulations.
- F. Monitor compliance with the applicable “temporary period” (as defined in the Code and Treasury Regulations) exceptions for the expenditure of proceeds of the issue, and provide for yield restriction on the investment of such proceeds if such exceptions are not satisfied.
- G. Ensure that investments acquired with proceeds of such issue are purchased at fair market value. In determining whether an investment is purchased at fair market value, any applicable Treasury Regulation safe harbor may be used.
- H. Avoid formal or informal creation of funds reasonably expected to be used to pay debt service on such issue without determining in advance whether such funds must be invested at a restricted yield.
- I. Consult with bond counsel prior to engaging in any post-issuance credit enhancement transactions or investment in guaranteed investment contracts.
- J. Identify situation in which compliance with applicable yield restrictions depends upon later investments and monitor implementation of any such restrictions.
- K. Monitor compliance with six-month, 18-month or 2-year spending exceptions to the rebate requirement, as applicable.
- L. Procure a timely computation of any rebate liability and, if rebate is due, to file a Form 8038-T and to arrange for payment of such rebate liability.
- M. Arrange for timely computation and payment of “yield reduction payments” (as such term is defined in the Code and Treasury Regulations), if applicable.

Section V. Private Activity Concerns

The following policies relate to the monitoring and calculating of private uses and private payments with respect to facilities financed with the Obligations. The Compliance Officer will:

- A. Maintain records determining and tracking facilities financed with specific Obligations and the amount of proceeds spent on each facility.

- B. Maintain records, which should be consistent with those used for arbitrage purposes, to allocate the proceeds of an issue and investment earnings to expenditures, including the reimbursement of pre-issuance expenditures.
- C. Maintain records allocating to a project financed with Obligations any funds from other sources that will be used for otherwise non-qualifying costs.
- D. Monitor the expenditure of proceeds of an issue and investment earnings for qualifying costs.
- E. Monitor private use of financed facilities to ensure compliance with applicable limitations on such use. Examples of potential private use include:
 - 1. Sale of the facilities, including sale of capacity rights;
 - 2. Lease or sub-lease of the facilities (including leases, easements or use arrangements for areas outside the four walls, e.g. hosting of cell phone towers) or leasehold improvement contracts;
 - 3. Management contracts (in which the Issuer authorizes a third party to operate a facility, e.g. cafeteria) and research contracts;
 - 4. Preference arrangements (in which the Issuer permits a third party preference, such as parking in a public parking lot);
 - 5. Joint-ventures, limited liability companies or partnership arrangements;
 - 6. Output contracts or other contracts for use of utility facilities (including contracts with large utility users);
 - 7. Development agreements which provide for guaranteed payments or property values from a developer;
 - 8. Grants or loans made to private entities, including special assessment agreements; and
 - 9. Naming rights arrangements.

Monitoring of private use should include the following:

- 1. Procedures to review the amount of existing private use on a periodic basis; and
- 2. Procedures for identifying in advance any new sale, lease or license, management contract, sponsored research arrangement, output or utility contract, development agreement or other arrangement involving private use of financed facilities and for obtaining copies of any sale agreement, lease, license,

management contract, research arrangement or other arrangement for review by bond counsel.

If the Compliance Officer identifies private use of facilities financed with tax-exempt or tax-advantage debt, the Compliance Officer will consult with the Issuer's bond counsel to determine whether private use will adversely affect the tax status of the issue and if so, what remedial action is appropriate. The Compliance Officer should retain all documents related to any of the above potential private uses.

Section VI. Qualified Tax-Exempt Obligations

If the Issuer issues "qualified tax-exempt" obligations in any year, the Compliance Officers shall monitor all tax-exempt financings (including lease purchase arrangements and other similar financing arrangements and conduit financings on behalf of 501 (c)(3) organizations) to assure that the \$10,000,000 "small issuer" limit is not exceeded.

Section VII. Federal Subsidy Payments

The Compliance Officer shall be responsible for the calculation of the amount of any federal subsidy payments and the timely preparation and submission of the applicable tax form and application for federal subsidy payments for tax-advantaged obligations such as Build America Bonds, New Clean Renewable Energy Bonds and Qualified School Construction Bonds.

Section VIII. Reissuance

The following policies relate to compliance with rules and regulations regarding the reissuance of Obligations for federal law purposes. The Compliance Officer will identify and consult with bond counsel regarding any post-issuance change to any terms of an issue of Obligations which could potentially be treated as a reissuance for federal tax purposes.

Section IX. Record Retention

The following policies relate to retention of records relating to the Obligations issued. The Compliance Officer will:

- A. Coordinate with staff regarding the records to be maintained by the Issuer to establish and ensure that an issue remains in compliance with applicable federal tax requirements for the life of such issue.

- B. Coordinate with staff to comply with provisions imposing specific recordkeeping requirements and cause compliance with such provisions, where applicable.
- C. Coordinate with staff to generally maintain the following:
 - 1. The Transcript relating to the transaction (including any arbitrage or other tax certificate and the bond counsel opinion);
 - 2. Documentation evidencing expenditure of proceeds of the issue;
 - 3. Documentation regarding the types of facilities financed with the proceeds of an issue, including, but not limited to, whether such facilities are land, buildings or equipment, economic life calculations and information regarding depreciation.
 - 4. Documentation evidencing use of financed property by public and private entities (e.g., copies of leases, management contracts, utility user agreements, developer agreements and research agreements);
 - 5. Documentation evidencing all sources of payment or security for the issue; and
 - 6. Documentation pertaining to any investment of proceeds of the issue (including the purchase and sale of securities, SLGs subscriptions, yield calculations for each class of investment, actual investment income received by the investment of proceeds, guaranteed investment contracts and rebate calculations).
- D. Coordinate the retention of all records in a manner that ensures their complete access to the IRS.
- E. Keep all material records for so long as the issue is outstanding (including any refunding), plus seven years.

Section X. Continuing Disclosure

Under the provisions of SEC Rule 15c2-12 (the “Rule”), underwriters are required to obtain an agreement for ongoing disclosure in connection with the public offering of securities in a principal amount in excess of \$1,000,000. Unless the Issuer is exempt from compliance with the Rule as a result of certain permitted exemptions, the Transcript for each issue of Obligations will include an undertaking by the Issuer with its undertakings, which may include the requirement for an annual filing of operating and financial information and will include a requirement to file notices of listed “material events.”

Section XI. Conduit Bond Financings

In conduit bond financings, such as industrial revenue bonds or Midwestern Disaster Area Bonds, the Issuer is not in a position to directly monitor compliance with arbitrage requirements and qualified use requirements because information concerning and control of those activities lies with the private borrower. The Issuer's policy in connection with conduit financings is to require that the bond documents in such financings impose on the borrower (and trustee or other applicable party) responsibility to monitor compliance with qualified use rules and arbitrage and other federal tax requirements and to take necessary action if remediation of nonqualified bonds is required.

City of Plymouth

Capitalized Fixed Assets Policy

Section I. Purpose

To establish a general policy for Capitalized Fixed Assets including standards for valuation of assets with a useful life greater than one-year.

Section II. Objectives

- A. Fixed Assets Account Group shall include general fixed assets, i.e., non-infrastructure assets. Infrastructure assets are assets that are immovable and of value only to the City government, e.g., buildings, sewers, and streets. As a general rule, “capitalized” items maintained within the Fixed Assets Account Group shall have an expected useful life greater than one year and a purchase, donated or assessed value equal to or greater than \$5,000. For computer equipment, initial operating software shall be included but subsequent operating software and application software shall be excluded.
- B. Generally repairs will not qualify for changing the initial capitalized value. Only major replacements of components and/or additions which significantly change the initial capitalized value or significantly extend the expected useful life of any capitalized item shall be considered in order to substantiate any subsequent year value change of an asset maintained within the Fixed Assets Account Group.

Asset Valuation

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

- A. Purchased Assets – the recording of purchased assets shall be made on the basis of actual costs, including all ancillary costs, based on vendor invoice or other supporting documentation.
- B. Salvage Value – the recording of purchased assets that are expected to be sold at retirement should be recorded with the historical estimated sale value if in excess of \$5,000.00. If sale value is less than \$5,000.00, normal depreciation for the useful life will be used.
- C. Self-Constructed Assets – All direct costs (including labor) associated with the construction project shall be included in establishing a self-constructed asset valuation. If a department is unable to specifically identify all direct costs an estimate of the direct cost is acceptable, but must be supported by a reasonable methodology.

- D. Donated Assets – Fixed assets acquired by gift, donation or payment of a nominal sum not reflective of the asset’s market value shall be assigned cost equal to the fair market value at the time of acquisition.
- E. Leased Property - Capital lease property should be recorded as an asset and depreciated as though it had been purchased.
- F. Dedicated Assets – Required installation by Developer of public improvements, including but not limited to sanitary service mains, manholes, laterals and all appurtenances, water mains, laterals, hydrants, valves and all appurtenances, storm sewers, storm water management measures, streets, curb and gutter, street lights, street signs, sidewalks will be dedicated to the City upon completion. Recording of infrastructure assets will be made on the basis of actual costs, including all ancillary costs, based on vendor invoice or other supporting documentation provided by the Developer.

Fixed Asset Category	Illustrative Items and Capitalization Threshold
Furniture	Chairs, tables, bookcases, file cabinets or other furniture items which individually cost \$5,000 or more with an expected useful life greater than one year.
Office Equipment	Postage machine and copiers or other office equipment items that individually cost \$5,000 or more with an expected useful life greater than one year.
Computers and associated equipment	Large computers, personal computers (PCs), printers, copiers that individually cost \$5,000 or more with an expected useful life greater than one year.
Specialized Public Safety Equipment	Certain communications equipment, copiers that individually cost \$5,000 or more with an expected useful life greater than one year.
Motorized road equipment, i.e. cars, trucks, or ambulances	All permanent or semi-permanent attachments shall be included, e.g., snow plows, salt spreaders, etc.
Motorized non-road equipment, e.g., ditch diggers, air compressors	All equipment that individually cost \$5,000 or more with an expected useful life greater than one year.
Other non-motorized equipment not attached to or associated with motorized equipment	All equipment that individually cost \$5,000 or more with an expected useful life greater than one year.

City of Plymouth

Purchasing & Expenditure/Expense Policy

Section I. Purpose

Expenditure/expenses are a rough measure of a local government's service output. While many expenditures/expenses can be easily controlled, emergencies, unfunded mandates, and unanticipated service demands may strain our ability to maintain a balanced budget. To ensure the proper control of expenditures/expenses and provide for a quick and effective response to adverse financial situations, the City of Plymouth has adopted the following (below) expenditure/expense policy statements.

Section II. Objectives

- A. Expenditures/expenses and purchase commitments will be made in a form and process that is legal, appropriate, funded, authorized and sufficiently documented. In addition, expenditures/expenses and purchase commitments will be recorded in an accurate and timely fashion.
- B. Financial reports will be provided to the Common Council, City Administrator/Utilities Manager, and Department Heads on a monthly basis.
- C. Requests for competitive bids, proposals, formal and informal quotes, and other methods of seeking and encouraging vendor competition will be obtained as required by law for public construction contracts or otherwise established by the Common Council or City Administrator/Utilities Manager.
- D. City staff will seek a minimum of three written quotes for any proposed expenditure/expense of \$15,000 or more. Purchases greater than \$1,000 but less than \$15,000 require at least two formal or informal quotes be solicited, when possible. Routine department purchases between \$1,000 but less than \$15,000 will be reviewed periodically. Purchases up to \$1,000 may be made based upon the best judgment of the individual responsible for making the purchase. All funds for purchases must come from an adopted budget unless previously approved by the Common Council. The Common Council realizes some purchases such as monthly chemical purchases for the water and sewer utility are reoccurring costs. Expenses similar to a reoccurring instance like this will be reviewed from time to time.
- E. A "sole source" is characterized as meeting one or more of the following standards: (a) the City department has conducted a screening process whereby it can justify purchase of a specific product; (b) the City requires legitimate specifications to which only one vendor can successfully respond; or (c) the product is available only through one manufacturer (or distributor). The Department Head shall document the purchase of an item or service as "sole source" and may purchase such items or services up to the \$5,000 purchasing

limit. Purchases in excess of \$5,000 from a sole source vendor require approval of the City Administrator/Utilities Manager or Common Council, or in the case of the Library Director the Library Board.

- F. Arrangements will be encouraged with other governments, private individuals, and firms, to contract out or cooperatively deliver services, in a manner that reduces cost and/or improves efficiency and effectiveness while maintaining service quality.
- G. The full direct and indirect costs will be calculated for any service provided for a fee or charge, or where there is a potential for the reimbursement of such costs.
- H. All appropriations shall typically lapse at the close of the fiscal year to the extent that they shall not have been expended or encumbered unless approved by the Common Council in a year-end budget resolution.
- I. The Director of Public Works/City Engineer, City Clerk/Treasurer, Police Chief, Fire Chief, Library Director, Electric Operations Manager, Wastewater Superintendent, and Utilities Finance Manager shall each have authority for the purchase of single items or amounts of materials, supplies, equipment and services, the purchase price of which is \$10,000 or less without previous approval of the Common Council or the City Administrator/Utilities Manager, or in the case of the Library Director the Library Board, as long as budgeted department funds are used. Department Heads may delegate the purchase of office related materials, supplies, equipment and services which is \$10,000 or less under circumstances of direct supervision.
- J. Under emergency situations when the health, safety and welfare of the employees or residents of the City or their property are threatened and time constraints do not permit normal Common Council expenditure approval, the City Administrator/Utilities Manager may approve expenditures up to \$50,000. The Mayor with the concurrence of one other Alderperson may authorize the City Administrator/Utilities Manager in writing to incur expenditures exceeding \$50,000. If the Mayor is not available the Council President of the Common Council with the concurrence of one other alderperson may act in the Mayor's absence to authorize the emergency expenditure. If neither the Mayor nor the Council President of the Common Council are available any two alderpersons shall have the authority to authorize any emergency expenditure under the provisions of this section. The Common Council shall be notified of the emergency expenditure within 48 hours and at the next regularly scheduled council meeting and shall be provided a copy of the written authorization required by this section.
- K. The City Administrator/Utilities Manager, Director of Public Works/City Engineer, or Electric Operations Manager may make purchases of commodities such as gas, diesel fuel, salt, sand and gravel, asphalt and tar, cement, paving and crack filling materials, electrical service supplies and materials, water system materials including chemicals, and associated rental equipment, and drainage and sanitary sewer supplies such as culvert, pipe, and associated rental equipment for projects that are approved in the annual budget, providing that the purchases of single

items or amounts in the foregoing categories does not exceed \$100,000.00. The Common Council understands that the Electrical Operations Manager or City Administrator/Utilities Manager may approve the purchase of up to \$250,000 in wire and material for the electrical division for projects that are approved in the annual budget

- L. The City Administrator/Utilities Manager or Clerk/Treasurer have the authority with the advice of the City Attorney to settle property damage claims against the City which are less than \$5,000.00 and for which the City would appear in the opinion of the City Attorney to have partial or total liability providing the claimant signs a release of liability in form approved by the City Attorney. Any such claims under \$5,000.00 which are settled by the City Administrator/Utilities Manager or Clerk/Treasurer shall be routinely reported to the Common Council for informational purposes. The City Administrator/Utilities Manager or Clerk/Treasurer may also deny claims which are less than \$5,000.00 based on the recommendation of staff, CVMIC and/or the City Attorney.
- M. The Electrical Operations Manager, Director of Public Works/City Engineer, and/or City Administrator/Utilities Manager shall receive approval by the Common Council for all easements including any financial benefits for such easements.
- N. The City Administrator/Utilities Manager, Clerk/Treasurer, or Director of Public Works/City Engineer shall have the authority to make purchases/payments for consultant contracts, equipment maintenance contracts, miscellaneous services, and legal fees providing the purchases of single items or amounts in the foregoing categories does not exceed \$50,000.00 and were previously approved in the annual budget. Insurance premiums such as the self health insurance stop gap coverage, CVMIC policies (Cities and Villages Mutual Insurance Company Member Owner), and LGPIF (Local Government Property Insurance Fund through the State of Wisconsin) may be approved by the City Administrator/Utilities Manager and/or Clerk/Treasurer without the approval of the Common Council subject to annual appropriation in the adopted budget.
- O. The City Administrator/Utilities Manager has the authority to purchase equipment replacement and capital items up to the amount approved by the Finance & Personnel Committee/ Common Council as reflected in the Capital Improvement Budget subject to the limit of \$75,000. Any amount above \$75,000 requires specific action by the Common Council.

City of Plymouth

Billing/Accounts Receivable Collection Policy

Section I. Purpose

The establishment of a formal Billing/Accounts Receivable Collection policy is an important component of the City's financial policy and management efforts.

Section II. Objectives

- A. The City shall not sell municipal materials (goods or supplies) to third parties unless authorized by the City Administrator/Utilities Manager.
- B. The City reserves the right to require cash payment prior to the sale of any goods or services.
- C. Any delinquent accounts in which the statutes allow for placing on the tax roll will not be considered for writing-off unless approved by the Common Council. Any delinquent accounts which qualify for the State of Wisconsin, Department of Revenue Tax Refund Interception Program will be pursued through the program prior to being considered for writing-off unless approved by the Common Council.
- D. Due diligence will be conducted by City staff for the collection of receivables. Accounts will be considered delinquent upon reaching 30 days beyond the date of the invoice or upon the first day after the due date as per the invoice. Invoices overdue will accrue appropriate penalties as defined by local ordinance and/or the City Clerk/Treasurer or Deputy Treasurer, Utilities Finance Manager, and/or the Finance & Personnel Committee.
- E. Accounts considered for writing-off are those that cannot be collected because of the inability to locate the party owing the City money, the party has filed for bankruptcy, or the expense of collected the delinquent funds owed to the City exceed the amount of the delinquency.
- F. Delinquent personal property tax bills that become a year overdue and are determined to be uncollectible by the City Clerk/Treasurer or Deputy Treasurer will be presented to the Common Council and authorization to write-off will be required for any amounts over \$1,000.00. Delinquent personal property is exempt from any administrative fees. The interest and penalties associated with delinquent personal property taxes are set forth in state statutes and have been adopted under municipal code section 3-1-16. The City Clerk-Treasurer may file a claim with the small claims court for unpaid personal property tax bills.

City of Plymouth

Segregation of Duties & Financial Controls Policy

Section I. Purpose

The City has established a system of internal financial controls to carry out its operations in an economical, efficient, effective and orderly manner. The primary objective of the internal control system is appropriate segregation of duties. The City of Plymouth recognizes certain risks based on the staffing levels of the City.

Section II. Objectives

- A. Staff who create purchase orders may approve receipt of goods for those purchase orders.
- B. When possible, payable checks shall be mailed or delivered by a person other than the person who created the checks.
- C. Staff who create accounts receivable invoices may also process credit notes and debt write-offs. However, these transactions must be supported by appropriate documentation.
- E. If applicable to operations, users with access to create accounts receivable invoices have retained access to add or change customer records in the address book. The City understands and recognizes the risk associated with this particular duty.
- E. When possible, staff shall have a preference for system controlled on-line transactional environments with appropriate security and audit trails.
- F. The City recognizes the risk for having staff have end to end responsibility for any series of financially related transactions.
- G. Non-compliance with established procedures are reported directly to the City Administrator/Utilities Manager and the Finance & Personnel Committee.
- H. At a minimum, payroll shall be reviewed by the appropriate designee by: scanning the names of those paid for people who have been terminated or not hired, scanning the amounts paid to people to make sure they look reasonable in amount, and to review hours worked to validate that they are reasonable hours for the person doing the job. Direct deposit earning statements shall be reviewed on a bi-weekly basis coinciding with pay periods.
- I. All deposits should be made intact with a completed deposit slip.

- J. All security and bid deposits received in negotiable form and escrowed funds or other funds requiring specialized handling should be held in the main vault at City Hall or in the case of Plymouth Utilities a locked and secure area.
- K. The general operating standard for deposit of negotiable funds, cash and checks, to the primary depository shall be within twenty-four hours of receipt of those funds. Departments should weigh reasonableness and practicality versus security in determining the timing for the deposit of smaller amounts. All deposits not made daily should be held in a secured location such as a safe, vault, or locked cabinet.

City of Plymouth

ANNUAL BUDGET POLICY

Section I. Purpose

The City has established a budget policy to guide the development of the annual budget including annual capital expenditures.

Section II. Objectives

- A. The City Administrator/Utilities Manager on an annual basis will provide the Finance & Personnel Committee with a proposed work calendar for the adoption of the budget. The calendar will be approved by the Finance & Personnel Committee.
- B. The City Administrator/Utilities Manager with input from the Finance & Personnel Committee will develop general guidelines to be utilized by department heads in establishing respective department budgets.
- C. The City Administrator/Utilities Manager and Clerk/Treasurer will compile the requests and prepare a complete draft budget document to the Finance & Personnel Committee annually. The City Administrator/Utilities Manager and Clerk/Treasurer will work with the Finance & Personnel Committee to develop a final proposed budget before October 20th of each year as required by city ordinance.
- D. The Finance & Personnel Committee and Common Council will schedule appropriate time to review the recommended budget, suggest changes, and allow time for public comment.
- E. The Common Council will schedule a Public Hearing for public comment on the proposed budget in accordance with state law and conduct the hearing.
- F. Annual operating budgets will be proposed and adopted on a balanced basis, where operating revenues (estimated revenues) are used to fund operating expenditures (appropriations).
- G. The annual budget for the General Fund will include a contingency of a least one percent (1.0%) of the total General Fund Appropriations.
- H. Department program budgets will be used to provide greater detail in the budget process including a department mission or program statement, service line descriptions, and statistical data related to department services.
- I. The City will attempt to maintain a diversified and stable revenue system to shelter it from short-term fluctuations in any one revenue source.

- J. User charges and fees will be set at levels that offset wholly or partially direct and indirect costs of providing the service by a fee where possible.
- K. Utility rates shall be set and maintained consistent with a rate of return authorized by the Public Service Commission of Wisconsin. The sewer utility shall have rates consistent with the rate of return authorized for the water or electric utility. All rates and financial status shall be reviewed annually during the annual audit process.
- L. Annual budget increases shall be consistent with the tax levy law and other state statutes and shall be consistent with increase growth in the tax base, government aids and credits, and other non-property tax revenue.
- M. Enterprise funds will pay for a proportionate share of administrative costs incurred in General Fund departments when deemed appropriate by the Common Council.
- N. The budget process will strive to include performance measurements and indicators in the actual budget document.
- O. Periodically, the Common Council may review a particular department/program budget in greater detail. This review may include a justification of all expenditures for each program as well as revenues generated by each program.
- P. A ten-year capital improvement plan (CIP) will be developed and presented as part of the annual budget. Only the adopted annual budget will appropriate funds for a specific capital project unless other formal action is taken by the Common Council.
- Q. The annual budget shall include budget sections on the revenues and expenditures of the general fund operations, utility operations (enterprise funds), debt service fund, capital projects/improvements, health insurance fund, and risk management fund.

City of Plymouth

INTERFUND TRANSFER LOAN POLICY

Section I. Purpose

The City has established an interfund transfer loan policy to authorize the City Administrator/Utilities Manager and/or City Clerk-Treasurer to administer an interfund transfer loan program, subject to approval of the Common Council, "as needed" to keep the different funds of the City solvent.

Section II. Objectives

- A. The City Administrator/Utilities Manager and/or City Clerk-Treasurer is hereby authorized with approval of the Common Council to administer an interfund transfer loan program. The City Administrator/Utilities Manager and/or City Clerk-Treasurer shall make interfund loans or advances as approved to keep the funds of the City solvent. In conjunction with interfund loans, and when possible, the City Administrator/Utilities Manager shall prepare a planned schedule of repayment of the loan principal plus applicable interest as approved by the Common Council. Rate of interest shall be determined by the Common Council after reviewing the Wisconsin Local Government Investment Pool and/or current yield of City investments, and shall be charged by the lending fund, unless the borrowing fund has no other source of revenue other than the lending fund. In addition, the borrowing fund must anticipate sufficient revenues to be in a position over the period of the loan to make the specified principal and interest payments.
- B. The City Administrator/Utilities Manager and/or City Clerk-Treasurer shall regularly report on any such interfund transfers or loans. The Mayor and any Common Council member may request such additional reports as may be necessary to fully inform the Common Council of any revenue deficit or interfund loan, or similar transfer.
- C. The City Administrator/Utilities Manager and/or City Clerk-Treasurer is directed and authorized to repay such loans, in whole or in part, when budgeted revenues are received sufficient to cover the projected foreseeable needs of the City.
- D. All interfund transfers or loans shall be requested by preparing an official resolution and such resolution shall be approved by the Common Council in order for the interfund transfer or loan to take effect.

City of Plymouth, WI

Shared Savings Loan Policy

Section I. Purpose

The establishment of a formal Shared Savings Loan policy is an important component of the City's financial management policy. Following an appropriate due diligence process is a key to minimizing the City's level of risk and maintaining its overall financial health. This policy is intended to provide guidelines for the issuance of Shared Savings loans to Plymouth Utilities' customers for qualifying energy efficiency improvement projects.

Section II. Shared Savings Program Description

- A. Many businesses delay the replacement or improvement of inefficient equipment and building components because the initial purchase costs are perceived as an obstacle. Despite attractive returns on investment and other long-term benefits of energy efficiency projects, customers simply cannot pursue energy cost reduction opportunities because of these "first cost" barriers.
- B. In an effort to be responsive to and overcome the initial cost barriers, and to provide the convenience of on-bill financing, WPPI Energy has created a Shared Savings program that offers WPPI Energy capital to the customer at a 2% annual fee to advance energy efficiency projects costing from \$2,500 up to \$50,000.
- C. This program allows a utility customer to receive energy savings in advance to undertake an energy efficiency project and then repay the funding in sixty equal installments on their utility bill. In some cases, the payments are less than the energy cost savings, resulting in a positive cash flow for the customer.
- D. Funding for projects will be based on estimated energy savings over a five-year period, and will not exceed the project cost. Any prescriptive incentives, grants, tax credits or other outside funding will be deducted from the total available funding amount. The loan term can vary from two to five years depending on the estimated project payback.
- E. In instances where prospective large power customers may be comparing sites in other utility service territories for new construction or expansion, WPPI Energy capital may be used to encourage energy efficient equipment selection as part of an economic development package.

Section III. WPPI Requirements

- A. The City of Plymouth will complete an individual review of each Shared Savings application and customer financial documents. After this review, the City of Plymouth will make their own independent decision regarding the approval of each customer's application for Shared Savings funding.
- B. Plymouth Utilities will be asked to assist with compiling information to determine creditworthiness, specifically utility bill payment history.
- C. For funding supported with WPPI Energy capital, the City of Plymouth will assume 50 percent of the financial risk on defaults, with WPPI Energy assuming the other 50 percent.
- D. For economic development offers, the City of Plymouth will assume 30 percent of the financial risk on defaults, with WPPI Energy assuming the other 70 percent.
- E. The City of Plymouth may choose to contribute funding for any fees or services that exceed the WPPI Energy level of funding or any contributions from the customer.

Section IV. Shared Savings Loan Process

A. Identify and Quantify Eligible Projects

Energy Services Representatives, with the help of trade allies, will work with customers to identify projects that will be eligible for Shared Savings. Appropriate applications will include: a) energy efficiency projects that have not yet been implemented; b) energy efficiency projects where Shared Savings will overcome the cost barriers preventing the project from advancing; and c) energy efficiency projects that will continue to deliver an energy reduction benefit for the duration of the Shared Savings term at a minimum.

B. Complete the Application Process

WPPI Energy will make available an easy-to-use Shared Savings application that will outline all of the steps involved in the process. Energy Services Representatives will work with potential applicants to compile all the necessary information for an application, and assist with coordinating communications between the applicant, City of Plymouth, and WPPI Energy.

C. Review and Project Underwriting

- i. Loan applications less than \$25,000
 - a. After review of the application, the Public Works and Utilities Committee will recommend whether or not Shared Savings funding should be extended to the customer.
 - b. The Public Works and Utilities Committee will recommend loans to the Common Council for approval.
 - c. The Mayor and Clerk-Treasurer will sign approved loan documents.
- ii. Loan applications greater than or equal to \$25,000
 - a. WPPI Energy will review the application and provide a financial summary for review by the Public Works and Utilities Committee.
 - b. After review of the financial summary, the Public Works and Utilities Committee will recommend whether or not Shared Savings funding should be extended to the customer.
 - c. The Public Works and Utilities Committee will recommend loans to the Common Council for approval.
 - d. The Mayor and Clerk-Treasurer will sign approved loan documents.

D. Depending on the size of the project, approval criteria for creditworthiness of an application may be based on:

- i. Acceptable payment history with the utility
- ii. Owners' financial records
- iii. Historical and current business financial records
- iv. Bank and trade references

Section V. Shared Savings Program Credit Review Information

A. Loan applications less than \$25,000

- i. Utility payment history
- ii. Most recent two years tax returns.
- iii. Credit score (optional depending on payment history)

B. Loan applications greater than or equal to \$25,000

- i. Utility payment history
- ii. Current and historical balance sheets
 - a. Two most recent fiscal year-end balance sheets are considered in the review process along with the current balance sheet.

- b. A balance sheet or statement of financial position is a summary of business or organization balances.
 - c. A balance sheet is often described as a snapshot of a company's financial condition.
 - d. Assets, liabilities and ownership equity are listed as of a specific date.
- iii. Current and historical income statements
- a. Two most recent fiscal year income statements are considered in the review process along with a current year-to-date statement.
 - b. An income statement, also referred to as a Profit & Loss (P&L) Statement or Statement of Operations, is a business or organization financial statement that indicates how the revenue (sales of products and services) becomes net income (result after all expenses have been accounted for)
 - c. The purpose of the income statement is to show whether the business made or lost money during the period being reported
 - d. This statement is different from the balance sheet, which represents financial condition at a single point in time
- iv. Personal financial statement
- a. This is a statement of assets and liabilities of each principal owner
 - b. As most applicants will be required to provide a personal guaranty if funding is approved, this information is reviewed along with business financial statements.

GLOSSARY

ACCOUNTS RECEIVABLE: Amount owed to the City for goods, services, taxes or other miscellaneous items.

ASSIGNED FUND BALANCE: Amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority.

BALANCED BUDGET: A balance budget occurs when the total sum of money a government collects in a fiscal year is equal to the amount it spends on goods, services, and debt interest.

BROKER/DEALER: A broker/dealer brings buyers and sellers together for a commission.

CERTIFICATE OF DEPOSIT(CD): A negotiable or non-negotiable receipt for monies deposited in a bank or other financial institution for a specified period for a specified rate of interest. Large-denomination CD's are typically negotiable.

COLLATERAL: Securities, evidence of deposit or other property which a borrower pledges to secure repayment of a loan. Also refers to securities pledged by a bank to secure deposits of public monies.

COMMERCIAL PAPER: Unsecured short-term debt instrument issued by a corporation, typically for the financing of accounts receivables, inventories, and meeting short-term liabilities.

COMMITTED FUND BALANCE: Amounts constrained to specific purposes by a government itself, using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest-level action to remove or change the constraint.

DIVERSIFICATION: Dividing investment funds among a variety of securities offering independent returns.

ENCUMBRANCE: An accounting technique that represents a commitment to purchase a good or service yet is not a current liability.

FEDERAL DEPOSIT INSURANCE CORPORATION (FDIC): A federal agency that insures bank deposits, currently up to \$250,000 per official custodian.

FEDERAL RESERVE BANK/SYSTEM: The central bank of the United States created by Congress and consisting of a seven member Board of Governors in Washington, D.C., 12 regional banks and commercial banks that are members of the system.

FUND: An independent fiscal and accounting entity used to record all financial

transactions related to the specific purpose for which the fund was created.

GAAP: Generally Accepted Accounting Principles

GENERAL FUND: The fund supported by taxes, fees and other revenues that may be used for any lawful purpose.

LIQUIDITY: A liquid asset is one that can be converted easily and rapidly into cash without a substantial loss of value. In the money market, a security is said to be liquid if the spread between bid and asked prices is narrow and reasonable size can be done at those quotes.

LOCAL GOVERNMENT INVESTMENT POOL (LGIP): The aggregate of all funds from political subdivisions that are placed in the custody of the State Treasurer for investment and reinvestment.

MATURITY: The date upon which the principal or stated value of an investment becomes due and payable.

MONEY MARKET: The market in which short-term debt instruments (bills, commercial paper, bankers' acceptances, etc.) are issued and traded.

MUNICIPAL GENERAL OBLIGATION BOND: A bond that is backed by the credit and taxing power of the issuing jurisdiction.

NONSPENDABLE FUND BALANCE: Amounts that are not in a spendable form (such as inventory) or are required to be maintained intact (endowment fund).

PRINCIPAL: The face or par value of an instrument, exclusive of accrued interest.

PRUDENT PERSON RULE: An investment standard. In some states the law requires that a fiduciary, such as a trustee, may invest money only in a list of securities selected by the custody state--the so-called legal list. In other states the trustee may invest in a security if it is one which would be bought by a prudent person of discretion and intelligence who is seeking a reasonable income and preservation of capital.

RESERVE: An account used to earmark a portion of the balance as legally segregated for a specific use.

RESTRICTED FUND BALANCE: Amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation.

STATE OF WISCONSIN, DEPARTMENT OF REVENUE TAX REFUND INTERCEPTION PROGRAM: State of WI Program in which to pursue collection of delinquent receivables via interception of taxpayer refunds.

STATE OF WISCONSIN, UNIFORM CHART OF ACCOUNTS: A uniform financial

and accounting structure for public entities.

TREASURY BILLS: A non-interest bearing discount security issued by the U.S. Treasury to finance the national debt. Most bills are issued to mature in three months, six months, or one year.

TREASURY BONDS: Long-term coupon-bearing U.S. Treasury securities issued as direct obligations of the U.S. Government and having initial maturities of more than 10 years.

TREASURY NOTES: Medium-term coupon-bearing U.S. Treasury securities issued as direct obligations of the U.S. Government and having initial maturities from two to 10 years.

WRITE-OFF: Function used to remove the uncollectible receivable (asset) from the City's books.

YIELD: The rate of annual income return on an investment, expressed as a percentage. (a) **INCOME YIELD** is obtained by dividing the current dollar income by the current market price for the security. (b) **NET YIELD** or **YIELD TO MATURITY** is the current income yield minus any premium above par or plus any discount from par in purchase price, with the adjustment spread over the period from the date of purchase to the date of maturity of the bond.