CITY OF STOUGHTON
FINANCE DEPARTMENT
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Date: August 19, 2020

To: Finance Committee

From: Jamin Friedl

Subject: Revolving Loan Program Funding

As of August 19, 2020, the TIF No. 4 has only $35,000 remaining to be allocated to the City's Revolving Loan Program. Despite the slow start to this program, awareness of this program has increased and we have loaned out nearly $200,000 over the past twelve months. To that point, the expenditure period for TIF No. 4 concludes in March 2021, leaving only six months to commit additional funding to the Revolving Loan Program.

The City's audit firm and attorney have advised against capitalizing amounts directly to the Revolving Loan Fund to be spent subsequent to March 2021. The remaining option available to the City is to simply commit additional funds in TIF No. 4 to be available for the Revolving Loan Program through March 2021.

As a result, the Finance Department is requesting the Finance Committee commit an additional $200,000 in funding from TIF No. 4 to be available to the Revolving Loan Fund through March 2021. We strongly believe the popularity of this program and the anticipated need for working capital in the downtown redevelopment area given the current circumstances warrant the additional funding.

TIF No. 4 - Financial Summary

12/31/19 Fund Balance			
12/31/19 Fund Balance	$	1,018,748	
Less: Reserved Funding Revolving Loan	$	(35,000)	
Less: Reserved Funding RDA	$	(128,981)	
12/31/19 Unassigned Fund Balance	$	854,767	

2020 Project Funding Analysis			
12/31/19 Fund Balance	$	1,018,748	
2020 Forecasted Revenues:			
2020 Property Taxes	$	180,369	
2020 Exempt Computer and Personal Property Aids	$	6,982	
2020 Interest Income	$	5,254	
2020 Marathon Site Settlement	$	39,000	
2020 Marathon Sale	$	65,000	***Note A***
	$	296,605	
2020 Forecasted Expenditures:			
2020 Legal, Consulting, Audit, etc.	$	(15,000)	
2020 Downtown Revitalization Costs	$	(19,000)	
2020 Marathon Site Infrastructure Rep/Aband	$	(30,000)	
2020 Debt Service	$	(101,625)	
	$	(165,625)	
Available Fund Balance for 2020 Projects	$	1,149,728	
Less: Reserved Funding Revolving Loan	$	(35,000)	
Less: Reserved Funding RDA	$	(79,981)	
	$	1,034,747	
2020 Project Budget	$	(975,000)	
Forecasted Ending 2020 Unreserved Fund Balance	$	59,747	

Available for RLF:		
Forecasted Ending 2020 Unreserved Fund Balance	$	59,700
Remaining Reserved RDA Funds	$	80,000
	$	139,700

Note A - TBD - Depends on the Marathon Site being sold in 2020.

Recommendations:

- Commit $200,000 in additional funding to the City's Revolving Loan Program through March 23, 2001

FINANCE COMMITTEE MINUTES
August 25, 2020 @ 6:15 p.m.
GoToMeeting

Present:
Schumacher, Reeves, Doom, Jenson and Mayor Tim Swadley

Also Present:
Finance Director Friedl, Planning Director Scheel

Absent and Excused:
None

Call to Order:
Schumacher called the meeting to order at 6:15 p.m.

Communications:
None

Reports: The following reports were entered into the record.

- Contingency Report
- July 2020 Financial Report
- July Treasurer's Report
- YTD August 15, 2020 CIP Report

Approval of the August 11, 2020 Finance Committee Minutes
Motion Reeves, second by Jenson to approve the minutes. Motion carried 4-0.

Discussion and possible action regarding options available for funding the Revolving Loan Fund with TIF No. 4 tax increment
Motion by Reeves, second by Jenson to recommend that council earmark $200,000 for funding the Revolving Loan Fund with TIF No 4 tax increment. Motion carried 4-0.

Discussion and possible action regarding continued environmental remediation requirements at the old Public Works site
Motion by Jenson, second by Reeves to recommend that council approve the environmental remediation requirements at the old Public Works site. Motion carried 4-0.

Discussion regarding progress to date on the 2021-2025 CIP budget and the 2021 operating budget
Finance Director stated that the CIP would meet again this week. He gave the timeline for CIP and operational budgets. He noted that department meetings have been scheduled for operational budgets.

Adjournment:

Motion by Jenson, second by Reeves to adjourn at 6:46 p.m. Motion carried 4-0.

Respectfully Submitted,

Holly Licht, City Clerk