CITY OF STOUGHTON, 207 S FORREST ST, STOUGHTON, WISCONSIN

RESOLUTION OF THE COMMON COUNCIL		
Repeal of city policy for Scheduled Building Maintenance Fund		
Committee Action:	Finance Committee recommended approval ____ on 08/22/2023 **TIME SENSITIVE ITEM**	
Fiscal Impact:	None	
File Number:	R-130-2023	**Date: 09/12/23**

The City of Stoughton, Wisconsin, Common Council does proclaim as follows:

RECITALS:

WHEREAS, the City of Stoughton last amended the policy for scheduled building maintenance fund with resolution R-19-2019 dated February 12, 2019; and

WHEREAS, the policy indicated that facility rental charges to both departments and outside entities should be recorded in Fund 411 Building Maintenance Fund to pay for various capital expenditures rather than issuing debt; and,

WHEREAS, the 2022 adopted budget used 29.3% of the total budgeted revenues for facility rental charges in the General Fund to offset the property tax levy rather than for issuing debt; and,

WHEREAS, the 2023 adopted budget used 69.0% of the total budgeted revenues for facility rental charges in the General Fund to offset the property tax levy rather than for issuing debt; and,

WHEREAS, the policy indicated that the Capital Improvement Plan (CIP) Committee shall review the fund balance annually; and,

WHEREAS, the fund balance has been averaging at 182.2% of budgeted expenditures from 2019 through 2023; and,

WHEREAS, while the Building Maintenance Fund is not covered by the current fund balance policy, the average of 182.2% is well above the range for the General Fund of 20% to 25% in the current fund balance policy; and,

WHEREAS, the Director of Finance/Comptroller recommends that the city policy for scheduled building maintenance fund should be repealed until such time as the Finance Committee develops a fund balance policy that includes all funds;

NOW THEREFORE BE IT RESOLVED, that the City of Stoughton's Policy for

Scheduled Building Maintenance Fund amended with R-19-2019 on February 12, 2019 is hereby repealed.

Council Action: ☐ **Adopted** ☐ **Failed** **Vote** _____

Mayoral Action: ☐ **Accept** ☐ **Veto**

_____

Mayor Tim Swadley Date

Council Action: _____ ☐ **Override** **Vote** _____

08/01/2023 REVENUE AND EXPENDITURE REPORT FOR STOUGHTON CITY

Month Ended: December

GL NUMBER	DESCRIPTION	AMENDED BUDGET 2021	AMENDED BUDGET 2022	AMENDED BUDGET 2023	Actual Amounts 12/31/2021	Actual Amounts 12/31/2022	Actual Amounts 07/31/2023
Fund 100 - GENERAL FUND							
100-52120-47450	DEPT CHG - UTILITY RENT	0.00	41,960.00	73,500.00	0.00	28,363.13	0.00
100-88888-47450	DEPT CHG - UTILITY RENT	0.00	0.00	50,000.00	0.00	0.00	0.00
Fund 100 - GENERAL FUND:		0.00	41,960.00	123,500.00	0.00	28,363.13	0.00
		0.0%	29.3%	69.0%			
Fund 411 - BUILDING MAINTENANCE FUND							
411-00000-48200	RENT INCOME - UTILITY BUILDING	138,919.00	0.00	0.00	137,628.87	0.00	0.00
411-53200-47450	DEPT CHG - UTILITY RENT	0.00	72,627.00	25,000.00	0.00	84,801.05	36,885.37
411-53200-47455	DEPT CHG - EMS RENT	0.00	28,500.00	30,543.00	0.00	28,500.00	30,543.00
Fund 411 - BUILDING MAINTENANCE FUND:		138,919.00	101,127.00	55,543.00	137,628.87	113,301.05	67,428.37
		100.0%	70.7%	31.0%			
TOTAL REVENUES - ALL FUNDS		138,919.00	143,087.00	179,043.00	137,628.87	141,664.18	67,428.37

08/01/2023

BALANCE SHEET FOR STOUGHTON CITY

Month Ended: December

GL NUMBER	DESCRIPTION	BALANCE AS OF 12/31/2019	BALANCE AS OF 12/31/2020	BALANCE AS OF 12/31/2021	BALANCE AS OF 12/31/2022	BALANCE AS OF 08/01/2023
Fund 411 - BUILDING MAINTENANCE FUND						
Assets						
411-00000-11100	PRIMARY CHECKING	506,202.92	62,664.02	(60,580.24)	10,225.77	95,794.07
411-00000-11302	WISC INVESTMENT FUND	61,588.40	462,045.89	462,176.23	368,049.24	376,791.17
411-00000-13010	ACCOUNTS RECEIVABLE	15.82	8,926.64	9,722.64	18,953.78	12,672.27
TOTAL ASSETS		567,807.14	533,636.55	411,318.63	397,228.79	485,257.51
Liabilities						
411-00000-21100	ACCOUNTS PAYABLE	93.75	79.86	7,713.07	0.00	0.00
411-00000-21700	ACCRUED PAYROLL	0.00	0.00	0.00	21.53	21.53
TOTAL LIABILITIES		93.75	79.86	7,713.07	21.53	21.53
Fund Equity						
411-00000-39000	FUND BALANCE	540,448.89	567,713.39	533,556.69	0.00	0.00
411-00000-39800	FUND BALANCE ASSIGNED	0.00	0.00	0.00	403,605.56	397,207.26
TOTAL FUND EQUITY		540,448.89	567,713.39	533,556.69	403,605.56	397,207.26
Budgeted expenditures		**281,500.00**	**299,600.00**	**369,414.00**	**161,496.00**	**293,500.00**
Fund balance as a percentage of budgeted expenditures		**192.0%**	**189.5%**	**144.4%**	**249.9%**	**135.3%**
Average fund balance as a percentage of budgeted expenditures				**182.2%**		

City of Stoughton, 381 E Main Street, Stoughton WI 53589

RESOLUTION OF THE FINANCE COMMITTEE

Authorizing and Directing the Proper City Official(s) to revise the City of Stoughton Policy for Scheduled Building Maintenance Fund

Committee Action: Finance Committee recommends approval 5-0

File Number:	R-19-2019	**Date Introduced:**	February 12, 2019

WHEREAS, the City of Stoughton Policy for Scheduled Building Maintenance Fund was adopted by the Common Council in 2012, and

WHEREAS, the City of Stoughton Finance Committee recommends revisions be made to the policy as follows:

- **FUNDING COMMITMENT**
  - Set base annual funding from rental revenues at $140,000
  - Earmark all rental revenues in excess of the $140,000 to be used by the City Buildings Department (53200) to fund annual maintenance and utilities costs
  - Ensure the balance will be reviewed annually during the budget process
- **THE BUILDING MAINT FUND IS FOR USE IN THE FOLLOWING BUILDINGS**
  - Added the McFarland State Bank Building to the listing
- **EMERGENCY APPROPRIATIONS**
  - Added clarifying language to the emergency appropriations section to ensure the information is brought to the first Finance Committee meeting following the emergency appropriation being made

BE IT RESOLVED that the Common Council of the City of Stoughton approves the aforementioned revisions to the City of Stoughton Policy for Scheduled Building Maintenance Fund.

Council Action: ☑ **Adopted** ☐ **Failed** **Vote** 10-0
Heili abstained

Mayoral Action: ☑ **Accept** ☐ **Veto**

Tim Swadley 2-12-19

Tim Swadley, Mayor Date

Council Action: _____ ☐ **Override** **Vote** _____

POLICY FOR SCHEDULED BUILDING MAINTENANCE FUND
ADOPTED ~~3-27-2012~~X-X-2019

Purpose:

The purpose of this policy is to establish a key element of the financial stability of the City by creating a funding mechanism for the scheduled maintenance of existing City Buildings, Committing the funds to reserve, and by setting guidelines for the use o
f the reserve fund.

Funding Commitment:

The Building Maintenance Fund Reserve is not available for expenditure for any other purpose than is laid out in this policy. By resolution of the Council and adoption of this policy, the Building Maintenance Fund will be classified as "Committed Fund Balance" in the City's Financial Statements.

The City shall commit its revenue received from the rental of City properties to the Building Maintenance Fund. The City currently receives rents from the Senior Center Annex, the Utilities building and the EMS building. The ~~2012 funding is $138,826.00 and is to be used as the~~ base annual figure for this fund shall be $140,000. ~~Future additional rent amounts or other revenue sources will be considered by the Council to be used to stabilize the balance of this fund.~~Rental revenues in excess of the $140,000 shall be earmarked to the City Buildings Department (53200) to help fund annual maintenance and utilities costs.

During the annual budget process, the City Council will review the balance in the Building Maintenance Fund to determine if the fund has accumulated an excessive amount. The Finance Committee/City Council will review the spending history of this fund to maintain its stability while ensuring that excessive funds can be used by the City.

GASB 54 Fund balance Definition:

Committed Fund Balance – amounts constrained so 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 highest-level action (Super Majority vote of the Council) to remove or change the constraint.

Objective:

This fund has been created to provide a funding source to maintain the current inventory of City owned buildings. New facilities, or remodeling projects above $5,000, are not funded through this fund and are subject to the CIP process for approval. Scheduled maintenance items associated with existing buildings are eligible expenses using this fund. Miscellaneous repair activities are covered in the operating budget and are not intended to use this fund.

The Building Maintenance Fund is for use in the following buildings:

City Hall, Fire Department, Public Safety Building, Senior Center, Depot, Library, EMS, Youth Center, Street Department Facility, Power House, Mandt Park Swimming Pond Facility, Band

Shell, Park Shelters, McFarland State Bank Building and Park Buildings (excluding Mandt Park Buildings owned by the Fair Board). Playground equipment, tennis courts, park fencing, etc. is not intended to use this fund.

Items to be included in Scheduled Building Maintenance Fund for all locations:

Items generally scheduled and considered necessary to maintain the shell and integrity of existing buildings such as roofing, standard heating and cooling equipment, windows, doors, exterior painting, insulation, tuck pointing, garage doors, electric service equipment, **standard floor coverings,** standard lighting, and standard plumbing equipment.

Some locations offer a "tenant" type relationship. These locations are responsible for certain items as outlined using sources other than this fund.

These areas include: areas rented such as CLC, Experience Works and Senior Center Annex space, Library, Depot, Food Pantry, Youth Center, Opera House, and EMS. These areas are responsible for items such as: interior build outs, floor coverings, painting, special HVAC improvements, above standard lighting, shelving, furniture, and special electrical equipment. Lease agreements may supersede this policy.

Things not intended to be funded using the Building Maintenance Fund:

- Routine maintenance and associated agreements are not funded through this fund such as elevator service agreements, fire and smoke alarm agreements, snow removal expenses, lawn care maintenance expenses, etc.
- Shelving, furniture, window coverings, etc.
- Miscellaneous day to day repairs.

Annual Review and Appropriation:

The CIP committee will review scheduled Building Maintenance Projects and Fund Balance annually, starting in the month of June, and adjust the schedule as is necessary. The CIP committee will recommend approval of projects to be funded in compliance with the Building Maintenance Fund policy annually during the budget process.

Emergency Appropriations:

The City Planning Director shall be authorized to use funds from the Building Maintenance reserve to fund emergency repairs or maintenance for those expenses that are covered in this policy and are in compliance with the City's Purchasing Policy for emergency expenses. All emergency appropriations shall be communicated at the first Finance Committee meeting following the emergency appropriation being made.