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<https://www.youtube.com/c/CityofFranklinWIGov>

REVISED * G.11 and G.14.

CITY OF FRANKLIN
COMMON COUNCIL MEETING
FRANKLIN CITY HALL – COMMON COUNCIL CHAMBERS
9229 WEST LOOMIS ROAD, FRANKLIN, WISCONSIN
AGENDA**
TUESDAY OCTOBER 3, 2023 AT 6:30 P.M.

- A. Call to Order, Roll Call and Pledge of Allegiance.
- B. Citizen Comment Period.
- C. Approval of Minutes: Regular Common Council Meeting of September 19, 2023.
- D. Hearings.
- E. Organizational.
- F. Letters and Petitions.
- G. Reports and Recommendations:
 - 1. Presentation and Discussion of a Memorandum of Understanding Document Regarding Solutions to Noise Issues at the ROC.
 - 2. A Resolution to Submit a 2024 Grant Application Request from the Wisconsin Department of Natural Resources Urban Forestry Grant Program and Unspecified Amounts for yet to be Determined Catastrophic Storm Events.
 - 3. Letter of Understanding Between the City of Franklin and the Franklin Police Officers Association Local 280 Wisconsin Professional Police Association/LEER Regarding Hours of Work for Patrol Officers.
 - 4. Federal Emergency Management Agency’s Floodplain Violation Resolution Program.
 - 5. Potential Water Service to Hale Park Highlands Area.
 - 6. Motion to approve the Director of Health and Human Services to accept the 2023 Division of Public Health Consolidated Contracts to continue funding health department grants.
 - 7. Acceptance of the 2022 Annual Comprehensive Financial Report for the City of Franklin.
 - 8. Authorize \$10,000 for General Planning Services Provided by MDRoffers Consulting.
 - 9. An Ordinance to Amend Ordinance 2022-2521, an Ordinance Adopting the 2023 Annual Budget for the General Fund to Provide Additional \$10,000 Appropriations for Consulting Services in the Planning Department.
 - 10. An Ordinance to Amend Ordinance 2022-2521, an Ordinance Adopting the 2023 Annual Budget for the General Fund to Provide Additional \$9,500 Appropriations for Part-Time Principal Planner.

Common Council Meeting Agenda

October 3, 2023

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- *11. Rescind the Motion to Authorize a Consulting Services Agreement with Wrayburn Consulting, LLC, Adopted on September 19, 2023, and in Place of the Approved Agreement, Approve the Hiring of Nicholas Fuchs as a Part-Time Planner.
- 12. Authorization for the Renewal of Palo Alto Annual Support & Licensing – Information Services Equipment Maintenance Outlay Budget – Account 01-0144-5242.
- 13. Authorize \$62,202.65 for Trenching and Fiber Relocation Change Orders for the Fiber Optic WAN Project – Account 46-0181-5846.9650.
- *14. Authorize the Purchase and Service Contract of New Fortinet Firewalls from TPX/Cornerstone Communications for \$391,108, as a Fully Managed Security Solution – Account 46-0181-5846.9650. The Common Council may enter closed session for this subject matter item pursuant to Wis. Stat. §19.85(1)(d), to consider strategy for crime prevention, i.e., cyberattack prevention and technological crimes in relation thereto, for the protection of the City’s technical and information infrastructure and the City officials, employees and the public who use the system, and also pursuant to Wis. Stat. §19.85(1)(e), for competition and bargaining reasons with regard to the prevention protection program and this subject matter item, and the investing of public funds in relation thereto, and to reenter open session at the same place thereafter to act on such matters discussed therein as it deems appropriate.

H. Licenses and Permits: License Committee Meeting of October 3, 2023.

I. Bills.

Request for Approval of Vouchers and Payroll.

J. Adjournment.

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

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

REMINDERS:

October 5	Plan Commission	6:00 p.m.
October 10	Special Common Council Meeting	6:30 p.m.
October 17	Common Council Meeting	6:30 p.m.
October 19	Plan Commission	6:00 p.m.
October 28	Trick or Treat	4:00-7:00 p.m.

CITY OF FRANKLIN
COMMON COUNCIL MEETING
SEPTEMBER 19, 2023
MINUTES

ROLL CALL

A. The regular meeting of the Franklin Common Council was held on September 19, 2023, and was called to order at 6:30 p.m. by Mayor Nelson in the Franklin City Hall Council Chambers, 9229 W. Loomis Road, Franklin, Wisconsin. On roll call, the following were present: Alderman Ed Holpfer, Alderwoman Michelle Eichmann, Alderwoman Michelle Eichmann, Alderman Yousef Hasan, Alderwoman Courtney Day, Alderman Mike Barber, and Alderman Jason Craig. Also in attendance were Director of Administration Kelly Hersh, City Engineer Glen Morrow, City Attorney Jesse A. Wesolowski, and City Clerk Karen Kastenson.

CITIZEN COMMENT

B. Citizen comment period was opened at 6:32 p.m. and was closed at 7:33 p.m.

MINUTES
SEPTEMBER 5, 2023

C. Alderman Craig moved to approve the minutes of the Common Council meeting of September 5, 2023, as presented. Seconded by Alderwoman Eichmann. All voted Aye; motion carried.

ORGANIZATIONAL -
MAYORAL
APPOINTMENTS

E. Alderwoman Eichmann moved to confirm the following Mayoral appointments:

1. Clarke Johnson, 7703 W. Margaret Ln., Ald. Dist. 1-Board of Public Works for a 3-year unexpired term expiring 04/30/26.
2. Craig Marifke, 10402 W. Herda Pl, Ald. Dist. 6-Architectural Board for a 3-year unexpired term expiring 04/30/25 (moving from an Alternate Member to a Regular Member).

Seconded by Alderman Barber. All voted Aye; motion carried.

RES. 2023-8042
CONDITIONS AND
RESTRICTIONS FOR
APPROVAL OF SPECIAL
USE FOR DRIVE
THROUGH – 7730 S
LOVERS LANE RD

G.1. Alderwoman Eichmann moved to adopt Resolution No. 2023-8042, A RESOLUTION IMPOSING CONDITIONS AND RESTRICTIONS FOR THE APPROVAL OF A SPECIAL USE FOR A DRIVE THROUGH RESTAURANT UPON PROPERTY LOCATED AT 7730 S. LOVERS LANE RD. (BY DHARMESH GHELANI, AK DEVELOPERS LLC, APPLICANT, FRANKLIN WYNDHAM LLC, PROPERTY OWNER) subject to minor technical corrections to the font. Seconded by Alderman Holpfer. All voted Aye; motion carried.

AUTHORIZE WAGE
ADJUSTMENT FOR
RYAN BOOS

G.2. Alderman Barber moved to authorize the hourly wage increase for Ryan Boos from \$23.84 to \$27.38/hr. Annual salary is estimated at \$56,953 with estimated corresponding benefits of \$25,628. Seconded by Alderwoman Eichmann. All voted Aye; motion carried.

- MAYOR'S 2024 RECOMMENDED BUDGET TO FINANCE TO COMMON COUNCIL G.3 Alderman Barber moved to forward the Mayor's 2024 Recommended Budget to the Finance Committee for its review and submission of its recommended changes to the Common Council at their special meeting of October 10, 2023 and to further provide other direction to staff, as appropriate, relative to additional materials or information needed for the October 10, 2023 Special Common Council Meeting budget discussions. Seconded by Alderwoman Eichmann. All voted Aye; motion carried.
- ORD. 2023-2554 ORDINANCE ADOPTING THE 2023 ANNUAL BUDGET FOR CAPITAL OUTLAY FUND G.4. Alderman Barber moved to adopt Ordinance No. 2023-2554, AN ORDINANCE TO AMEND ORDINANCE 2022-2521, AN ORDINANCE ADOPTING THE 2023 ANNUAL BUDGET FOR THE CAPITAL OUTLAY FUND TO PROVIDE CARRY FORWARD APPROPRIATIONS FROM 2022 FOR SPECIFICALLY IDENTIFIED PROJECTS IN THE AMOUNT OF \$84,287. Seconded by Alderman Holpfer. On roll call, all voted Aye. Motion carried.
- 2022 ANNUAL COMPREHENSIVE FINANCIAL REPORT G.5. Alderman Craig moved to table the 2022 Annual Comprehensive Financial Report for the City of Franklin, and bring back to the October 3, 2023 meeting. Seconded by Alderwoman Eichmann. All voted Aye; motion carried.
- ORD. 2023-2555 ORDINANCE ADOPTING THE 2023 ANNUAL BUDGET FOR GENERAL FUND G.6. Alderman Hasan moved to adopt Ordinance No. 2023-2555, AN ORDINANCE TO AMEND ORDINANCE 2022-2521, AN ORDINANCE ADOPTING THE 2023 ANNUAL BUDGET FOR THE GENERAL FUND TO PROVIDE CARRY FORWARD APPROPRIATIONS FROM 2022 FOR A PLANNING CONSULTANT IN THE AMOUNT OF \$9,500. Seconded by Alderman Barber. On roll call, all voted Aye. Motion carried.
- CONSULTING SERVICES AGREEMENT WITH WRAYBURN CONSULTING, LLC G.7. Alderman Barber moved to authorize a Consulting Services Agreement with Wrayburn Consulting, LLC for general planning services; and authorize the Mayor to execute and administer the appropriate, related contract. Seconded by Alderwoman Eichmann. All voted Aye; motion carried.
- BUDGET AMENDMENT CARRY FORWARD PO TO COVER WRAYBURN CONSULTING EXPENSES G.8. No Action taken. This item has been deleted from the agenda as it is a duplicate item.

- RES. 2023-8043
OFFICIAL INTENT TO
REIMBURSE
EXPENDITURES
- G.9. Alderman Barber moved to adopt Resolution No. 2023-8043, A RESOLUTION DECLARING OFFICIAL INTENT TO REIMBURSE EXPENDITURES FROM PROCEEDS OF BORROWING. Seconded by Alderwoman Day. All voted Aye; motion carried.
- CHANGE PLAN
COMMISSION MEETING
FROM 7:00 P.M. TO
6:00 PM
- G.10. Alderwoman Eichmann moved to change the Plan Commission meeting start times to 6 p.m., effective with the next Plan Commission meeting of October 5, 2023. Seconded by Alderman Hasan. All voted Aye; motion carried.
- RES 2023-8044
PROPERTY TAX
RESCISSION & REFUND
2022, TKN 754-9008-000
- G.11. Alderwoman Eichmann moved to direct staff to adopt Resolution No. 2023-8044, A RESOLUTION APPROVING A PARTIAL PROPERTY TAX RESCISSION AND REFUND FOR 2022 FOR TKN 754-9008-000. Seconded by Alderman Holpfer. All voted Aye; motion carried.
- DISCUSS LETTER TO
COMMON COUNCIL
FROM THE BOARD OF
REVIEW
- G.12. Referral of Letter to the Common Council from the Board of Review with Expression of concerns as it pertains to the City of Franklin's Tax Assessments.
- RES. 2023-8045
PROVIDING SALE OF
GENERAL OBLIGATION
PROMISSORY NOTES
- G.13. Alderman Holpfer moved to adopt Resolution No. 2023-8045, A RESOLUTION PROVIDING FOR THE SALE OF APPROXIMATELY \$2,395,000 GENERAL OBLIGATION PROMISSORY NOTES, SERIES 2023B. Seconded by Alderman Barber. On a roll call; All voted Aye. Motion carried.
- RES 2023-8046
GO BONDS \$3,035,000
WATER SYSTEM
PROJECTS
- G.14. Alderman Holpfer moved adopt Resolution No. 2023-8046, A RESOLUTION AUTHORIZING \$3,035,000 GENERAL OBLIGATION BONDS FOR WATER SYSTEM PROJECTS. Seconded by Alderman Craig. On a roll call; All voted Aye. Motion carried.
- RES 2023-8047
GO BONDS \$3,020,000
BUILDINGS FOR
MACHINERY AND
EQUIPMENT
- Alderman Barber moved adopt Resolution No. 2023-8047, A RESOLUTION AUTHORIZING \$3,020,000 GENERAL OBLIGATION BONDS FOR BUILDINGS FOR THE HOUSING OF MACHINERY AND EQUIPMENT. Seconded by Alderman Holpfer. On a roll call; All voted Aye. Motion carried.
- RES 2023-8048
SALE OF GO
CORPORATE PURPOSE
BONDS \$6,055,000
- Alderman Holpfer moved adopt Resolution No. 2023-8048, A RESOLUTION PROVIDING FOR THE SALE OF NOT TO EXCEED \$6,055,000 GENERAL OBLIGATION CORPORATE PURPOSE BONDS, SERIES 2023A. Seconded by Alderwoman Day. On a roll call; All voted Aye. Motion carried.

RES 2023-8049
ELECTORS TO BOND
ISSUES

Alderman Barber moved adopt Resolution No. 2023-8049, A RESOLUTION DIRECTING PUBLICATION OF NOTICE TO ELECTORS RELATING TO BOND ISSUES. Seconded by Alderman Craig. On a roll call; All voted Aye. Motion carried.

MISCELLANEOUS
LICENSES

H. Alderman Day moved to approve the following licenses:

License Meeting of September 19, 2023:

Grant 2023-24 Operator License to: Angel Cihler, Jeffrey Linehan, Isabella Pantoja, Samuel Tretow, Kayla Wolcyk;
Grant Reserve "Class B" Combination: Change of Agent to DBA Staybridge Suites Milwaukee Airport South, Dadaswami Hospitality LLC, 9575 S 27th St, Patel Shveta.

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

VOUCHERS AND
PAYROLL

I. Alderman Holpfer moved to approve City vouchers with an ending date of September 14, 2023, in the amount of \$2,537,069.56, and payroll dated September 8, 2023, in the amount of \$452,571.28 and payments of the various payroll deductions in the amount of \$239,937.04, plus City matching payments, and estimated payroll dated September 22, 2023, in the amount of \$460,000 and payments of the various payroll deductions in the amount of \$467,000, plus City matching payments. Seconded by Alderwoman Eichmann. On roll call, all voted Aye. Motion carried.

At 9:07 p.m., Mayor Nelson took a five-minute recess. At 9:12 p.m. the Council returned back into open session.

CLOSED SESSION –
SEAGRAVE FIRE
APPARATUS, LLC
TB50CA MARAUDER
PUMPER FIRE ENGINE
PURCHASE
CONTRACT-
DELIBERATING OR
NEGOTIATING
PURCHASING PUBLIC
PROPERTIES,
INVESTING PUBLIC
FUNDS, OR
CONDUCTING
SPECIFIED PUBLIC
BUSINESS

G.15. Alderman Barber moved to enter closed session at 9:14 p.m., pursuant to Wis. Stat. §19.85(1)(e), with regard to deliberating or negotiating the purchasing of public properties, the investing of public funds, or conducting other specified public business, whenever competitive or bargaining reasons require a closed session; and Wis. Stat. § 19.85(1)(g), to confer with legal counsel for the Common Council who is rendering advice concerning strategy to be adopted by the body with respect to litigation in which it is likely to become involved, and to reenter open session at the same place thereafter to act on such matters discussed therein as it deems appropriate regarding Seagrave Fire Apparatus, LLC TB50CA Marauder Pumper fire engine purchase contract. Seconded by Alderwoman Eichmann. On roll call, all voted Aye. Motion carried.

Upon re-entering open session at 9:34 p.m., Alderman Craig moved to direct staff to proceed as discussed in closed session. Seconded by Alderwoman Eichmann. All voted Aye; motion carried.

CLOSED SESSION –
CITY PERSONNEL
PERFORMANCE
EVALUATION OF
DIRECTOR OF
ADMINISTRATION

- G.16. Alderwoman Eichmann moved to enter closed session at 9:35 p.m., with regard to City personnel performance evaluation of Director of Administration, to enter closed session pursuant to Wis. Stat. § 19.85(1)(c), considering employment, promotion, compensation or performance evaluation data of any public employee over which the governing body has jurisdiction or exercises responsibility, and to reenter open session at the same place thereafter to act on such matters discussed therein as it deems appropriate. Seconded by Alderman Barber. On roll call, all voted Aye; Motion carried.

Upon re-entering open session at 10:43 p.m., no action was taken.

Alderwoman Eichmann vacated her seat at 10:43 p.m.

CLOSED SESSION –
CITY PERSONNEL
PERFORMANCE
EVALUATION


- G.17. Alderman Craig moved to enter closed session at 10:45 p.m., pursuant to Wis. Stat. §19.85(1)(c), considering employment, promotion, compensation or performance evaluation data of any public employee over which the governing body has jurisdiction or exercises responsibility, Wis. Stat. §19.85(1)(f), considering financial, medical, social, or personal histories or disciplinary data of specific persons, preliminary consideration of specific personnel problems, or the investigation of charges against specific persons except where par. (b) applies which, if discussed in public, would be likely to have a substantial adverse effect upon the reputation of any person referred to in such histories or data, or involved in such problems or investigations, and Wis. Stat. §19.85(1)(g), conferring with legal counsel for the governmental body who is rendering oral or written advice concerning strategy to be adopted by the body with respect to litigation in which it is likely to become involved, and to reenter open session at the same place thereafter to act on such matters discussed therein as it deems appropriate. Seconded by Alderman Barber. On roll call, all voted Aye. Motion carried.

Upon re-entering open session at 11:13 p.m., Alderwoman Eichmann moved to direct staff to proceed as discussed in closed session. Seconded by Alderman Barber. All voted Aye; motion carried.

ADJOURNMENT

- J. Alderman Craig moved to adjourn the meeting of the Common Council at 11:14 p.m. Seconded by Alderman Barber. All voted Aye; motion carried.

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<p>APPROVAL</p> 	<p>REQUEST FOR COMMON COUNCIL ACTION</p>	<p>MEETING DATE</p> <p>10/3/2023</p>
<p>REPORTS & RECOMMENDATIONS</p>	<p>Presentation and Discussion of a Memorandum of Understanding Document Regarding Solutions to Noise Issues at the ROC.</p>	<p>ITEM NUMBER</p> <p>G.1.</p>
<p style="text-align: center;">COUNCIL ACTION REQUESTED</p> <p>For discussion purposes only.</p>		

Draft 9/29/2023

**Memorandum of Understanding (MOU)
Between the City of Franklin, WI, and ROC Ventures LLC**

This Memorandum of Understanding (“**MOU**”) is dated as of October 3, 2023 (“**Effective Date**”) and sets forth the basic terms between the City of Franklin and ROC Ventures LLC (“**Company**”), located at 7044 S Ballpark Dr, Franklin, WI 53132, (each a “**Party**” and collectively, the “**Parties**”)

- The Parties seek to establish a set of NEW binding terms for sound mitigation, in which ROC Ventures and the City of Franklin will exchange current agreements in the existing planned development district agreement (“**PDD**”) 37 for Ballpark Commons.
- The Parties agree to the terms below to begin executing critical preparations and responsibilities and provide a framework to negotiate and enter into a new PDD, in which the Parties will operate and govern the Ballpark Commons entertainment district.
- The parties understand and agree that this MOU contemplates very high-level terms and that each party’s obligations under the PDD Agreement are to be negotiated in good faith.

Therefore, the parties agree as follows:

1. **Decibel Levels.** Following execution of this MOU, the parties agree to begin negotiations on a new decibel level agreement by type of event. Specifically, the parties agree to adjust volumes to comply with 3 different thresholds for Milkmen games (based on attendance and/or day of the week), extraordinary events, and fireworks.
2. **Sound Monitoring.** ROC Ventures will transfer ownership and monitoring of the three sound monitoring devices to the City of Franklin. The City of Franklin will make the monitoring available to the public via the city website. ROC Ventures further agrees to compensate the City of Franklin for ongoing maintenance of the three sound monitoring devices located on the property lines. As part of this agreement, ROC Ventures will grant property easement rights.
3. **Speaker Adjustments.** ROC Ventures agrees to adjust and angle all speakers within Franklin Field towards the seating areas.
4. **Acoustic Fencing.** The parties shall negotiate in good faith and mutually agree to finance and install 900 feet at a minimum of 8-foot-tall acoustic fencing (on top of existing berms) on the west property line in lieu of additional berm work.

Draft 9/29/2023

5. **Extraordinary Events.** The City of Franklin agrees to support the entertainment efforts of Ballpark Commons for extraordinary events such as concerts, fireworks, and seasonal events (Hill Has Eyes, Enchant). The City of Franklin will not withhold permits and approvals unless there are direct violations of sound ordinance and/or reasonable compliance concerns with city departments (fire, police, health, etc.) and municipal codes as outlined in the new PDD.
6. **Compliance with Laws.** The parties agree to abide by sound ordinances outlined in the PDD or other legal requirements concerning the performance of their respective obligations under the PDD Agreement.
7. **Timing.** The parties agree to negotiate and execute the terms set forth in the PDD prior to the start of the Milwaukee Milkmen 2024 season.
8. **Miscellaneous.** This MOU may not be modified, supplemented, or changed except pursuant to a written amendment signed by a duly authorized representative of each party. This MOU may be executed in multiple counterparts, which together shall constitute a complete document.

The parties are signing this MOU as of the Effective Date listed in the preamble above.


ROC VENTURES LLC

By: _____
Name: Michael Zimmerman
Title: Chief Executive Officer

City of Franklin, WI

By: _____
Name: John R. Nelson
Title: Mayor

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APPROVAL	REQUEST FOR COUNCIL ACTION	MEETING DATE
REPORTS AND RECOMMENDATIONS 	A RESOLUTION TO SUBMIT A 2024 GRANT APPLICATION REQUEST FROM THE WISCONSIN DEPARTMENT OF NATURAL RESOURCES URBAN FORESTRY GRANT PROGRAM AND UNSPECIFIED AMOUNTS FOR YET TO BE DETERMINED CATASTROPHIC STORM EVENTS	10/31/23 G.2.

BACKGROUND

The Wisconsin Department of Natural Resources (WDNR) Urban Forestry Grant program is designed to fund projects that improve a community’s capacity to manage its trees. Projects that help conserve, protect, expand or improve the urban forest resource will also be prioritized. This 2024 grant application is due October 2, 2023.

ANALYSIS

An eligible 50% match includes options for cash or in-kind services provided for the project and that have occurred during the project period. Projects must be a minimum of \$2,000 and a maximum of \$50,000- i.e. the grant request must be between \$1,000 and \$25,000. Proposals are competitively scored amongst other applications from other communities. Grant application must be mailed no later than October 2, 2023. Eligible projects and expenditures are for January 1 to December 31, 2024.

Staff recommends a proposed project as follows:

- \$10,000 Street Tree Planting & Replacements
- \$5,000 Ordinance Re-Write (Chapter 240)
- \$5,000 Staff Training and Conferences
- \$20,000 Total Project Cost

The 50% required match for this grant is \$10,000, which would be requested from the City.

This grant award is anticipated to be announced in January 2024.

Note that the attached resolution uses the recommended language from the grant website. The sample resolution also includes language to allow the City to quickly apply and receive a 100% grant for urban forestry catastrophic storm projects specified in Wis. Stats section 23.097(1g) and (1r), Wis. Stats- if needed. Both sections of the statute are as follows:

(1g) The department shall award grants to counties, cities, villages, towns, and nonprofit organizations for up to 50 percent of the cost of tree management plans, tree inventories, brush residue projects, the development of tree management ordinances, tree disease evaluations, public education concerning trees in urban areas and other tree projects.

(1r) In addition to the grants awarded under sub. (1g), the department may award grants to ...cities, ... that apply for the grants for the costs of removing, saving, and replacing trees that have been damaged by catastrophic storm events in urban areas. To be eligible for a grant under this subsection, the damage must have occurred in an area for which the governor has designated a state of emergency due to a catastrophic storm event. The department shall notify each applicant for a grant under this subsection as to whether the application for the grant will be approved or denied within 60 days after the date the

application is submitted to the department. A recipient of a grant awarded under this subsection is exempt from having to pay any percentage of the costs in order to receive the grant.

OPTIONS

- A. Pass a Resolution to direct Staff to submit grant application and comply with the requirements stipulated in the grant program. Or,
- B. Table and elect to not submit grant application due October 2, 2023.

FISCAL NOTE

The City of Franklin is in the process of making and adopting a budget for 2024. Staff wages, labor costs, and additional funds in the Operating budget for training can be used to match the \$10,000 that we are asking for in this grant.

COUNCIL ACTION REQUESTED

(Option A) Motion to adopt Resolution No. 2023 - _____, a resolution to make a 2024 grant application request of \$10,000 (for a Project total of \$20,000) from the 2024 WDNR Urban Forestry Grant and Urban Forestry Catastrophic Storm Grant Program and unspecified amounts for yet to be determined catastrophic storm events.

DPW:TR/ams

STATE OF WISCONSIN : CITY OF FRANKLIN : MILWAUKEE COUNTY

RESOLUTION NO. 2023 - _____

A RESOLUTION TO SUBMIT A 2024 GRANT APPLICATION REQUEST FROM THE WISCONSIN DEPARTMENT OF NATURAL RESOURCES URBAN FORESTRY GRANT PROGRAM AND UNSPECIFIED AMOUNTS FOR YET TO BE DETERMINED CATASTROPHIC STORM EVENTS

WHEREAS, the City of Franklin, Wisconsin , (FRANKLIN), is interested in obtaining a cost-share grant from Wisconsin Department of Natural Resources for the purpose of funding urban and community forestry projects or urban forestry catastrophic storm projects specified in s. 23.097(1g) and (1r), Wis. Stats.; and

WHEREAS, FRANKLIN attests to the validity and veracity of the statements and representations contained in the grant application; and

WHEREAS, FRANKLIN requests a grant agreement to carry out the project.

NOW, THEREFORE, BE IT RESOLVED, the City of Franklin, Wisconsin, (FRANKLIN), will comply with all local, state, and federal rules, regulations and ordinances relating to this project and the cost-share agreement;

BE IT FURTHER RESOLVED, FRANKLIN will budget a sum sufficient to fully and satisfactorily complete the project and hereby authorizes and empowers the City Forester to act on its behalf to:

1. Sign and submit the grant application(s)
2. Sign a grant agreement(s) between FRANKLIN and the DNR
3. Submit interim and/or final reports to the DNR to satisfy the grant agreement(s)
4. Submit grant reimbursement request(s) to the DNR
5. Sign and submit other required documentation

Introduced at a regular meeting of the Common Council of the City of Franklin the

_____ day of _____, 2023, by Alderman _____.

PASSED AND ADOPTED by the Common Council of the City of Franklin on the _____ day of _____, 2023.

APPROVED:

John R. Nelson, Mayor

ATTEST:

Karen L. Kastenson, City Clerk

AYES _____ NOES _____ ABSENT _____



Notice: Pursuant to US Public Law 95-313, s 6(b), s 23 097, Wis Stats , and ch NR 47, Wis. Adm Code, this completed form is required to apply for an Urban Forestry Grant The Department of Natural Resources (DNR) will be unable to process your application unless complete information is provided as requested Information will be used to determine grant award lists, provide statistical information and potentially to use as an example for other grant applicants Personally identifiable information collected will be used for administrative purposes and may be provided to requesters to the extent required by Wisconsin's Public Records Law [ss 19 31-19 39, Wis. Stats.]

Resolution required with application submittal – Grant is for Calendar year 2024 – see [sample](#)

Section I: Grant Type

Select the appropriate grant type Please note, a maximum of three urban forestry startup grants may be awarded to an applicant within the lifetime of the startup program. Click the link for more information related to each grant type.

Regular Grant Start-up Grant

Section II: Applicant Information

A. Applicant Organization

Applicant Organization Name _____

Organization Address (same as Treasurer or W9)	City	State	ZIP Code
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Applicant organization is a (*check one*)

- City Village Town County Tribal Government 501(c)(3) nonprofit organization

Located in the county of: _____



B. Applicant Authorized Representative

Last Name	First Name	MI	Position Title
Phone Number		Email	

C. Project Manager (if different from Authorized Representative)

D. Grant Request Summary – will automatically be populated from Section VII Calculations

DNR Cost Share	Grantee Cost Share	Total Project Cost
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Urban Forestry Grants Application

Form 8700-298 (R 06/23)

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Section III. Community Urban Forestry Program Status

Below are basic elements of a well-established municipal, county, or tribal urban forestry program. Select ONE option in each category that best describes your current urban forestry program.

Applicants for the Startup Grant will be redirected to a regular grant application if they select the top box in 3 or more of the categories.

501(c)(3) organizations omit this section UNLESS your project results in a municipality advancing to the top level in any of the categories. Then, list the municipality here and complete the grid to reflect that municipality's current urban forestry program

Municipalities: _____

Tree Inventory	We have a current, complete tree inventory <input type="radio"/>
	Our tree inventory is incomplete or needs updating or upgrading. <input type="radio"/>
	We have no formal inventory or other written records of our trees <input type="radio"/>
Urban Forest Management Plan	We have a current, useful, written, inventory-based urban forest management plan. <input type="radio"/>
	Our inventory-based, written urban forest management plan is incomplete or out of date. <input type="radio"/>
	We do not have a written urban forest management plan based on our tree inventory data or on similar forest resource assessment. <input type="radio"/>
Program staffing	Urban forestry program management is done by staff, contracted consultants &/or volunteers who have: a forestry degree; ISA certified arborist credentials; have completed WI Community Tree Management Institute; or have other advanced forestry training. <input type="radio"/>
	Urban forestry program management is done by staff, contracted consultants &/or volunteers who have: experience or on-the-job training, but lack a forestry degree; ISA certified arborist credentials, Community Tree Management Institute completion certificate; or comparable advanced forestry training. <input type="radio"/>
	We have no staff, contracted consultants or volunteers authorized to handle or advise our community on tree planting & care. <input type="radio"/>
Tree ordinance	We have one or more tree ordinance(s) that is/are useful for achieving community tree care and management goals. <input type="radio"/>
	Our tree ordinance(s) is/are out-of-date or inadequate. <input type="radio"/>
	Our code ordinance contains no provisions for tree management, care or protection. Tree language is limited to public safety or nuisance abatement. <input type="radio"/>
Advocacy	We have an authorized citizen tree board or other organized group actively involved in advising our community urban forestry program <input type="radio"/>
	We have various groups (clubs, schools, committees) interested and involved in community tree care and management but not formally charged with advising our community urban forestry program- OR- We have an authorized but inactive citizen tree board. <input type="radio"/>
	The level of involvement and support by residents and local elected officials for our community urban forestry program is low to non-existent. <input type="radio"/>

Comments (optional):

Section IV: Project Description

A. Project Overview

Descriptive Project Title: _____

Describe the project using no more than 2000 characters (including spaces). Provide an overview that includes basics of who is doing what, where, how and why. This can be a bulleted list.

Describe how this project would establish a new program or advance an underdeveloped one.

B. Project Components

Choose from the dropdown boxes below. Use the "OTHER" choice to type in alternatives. (See a list of eligible project activities in the application guide) Click + at right to add another component. Describe each project

Describe each project component.

- What are the expected outcomes (results)?
- How will expected outcomes be measured, evaluated or shared?

Note: Complete a separate Cost Estimate Worksheet (CEW) in Section VII for each project component listed below. The CEW will transfer the total to the right-hand column below.

Select Component: _____

Component Cost Estimate (\$) (field will auto-populate from detail on CEW)

Component Name: _____

Description/Outcome: _____

Examples of components for Part B (selected in drop down box above):

- 1 Information/Education/Outreach Information (e.g., news media, print material development), Education (e.g., classes, tree walks, seminars), Outreach (e.g., citizen involvement in planning or implementation of Arbor Day celebration).
- 2 Tree Maint: Other Fertilization, storm damage mitigation, pest control, etc.
- 3 Plan Development (Emerald Ash Borer, management, strategic, storm response, pest response, planting)

C. Project Location/Scope

Land Ownership Affected (select all that apply)

- | | |
|---|--|
| <input type="checkbox"/> Single private property | <input type="checkbox"/> Single public property |
| <input type="checkbox"/> Multiple private properties within a municipality | <input type="checkbox"/> Multiple public properties within a municipality |
| <input type="checkbox"/> Multiple private properties across multiple municipalities | <input type="checkbox"/> Multiple public properties across multiple municipalities |

D. Applicant's Project Partners

Note: Each of the applicant's partners must verify their involvement using a Partner Verification (Form 8700-298A, linked here for your convenience). A Partner Verification form must be completed and sent in with this form for a complete application. If applicable, estimate the partner's donated amount on the appropriate CEW.

List Partner Organization(s).	What specific service, product, or role will each partner contribute to the project?

Section V: Alignment with DNR Urban Forestry Program Goals – Only applicable for Regular grants

1. Describe the direct impact(s) your project has on urban tree canopy on private property: N/A

2. Describe how you will utilize an existing inventory in this project. If no inventory exists or the inventory is outdated, will an inventory be produced because of the grant? How will the new inventory be utilized? N/A

3. If hosting a professional workshop or educational event, describe how your project will build capacity and/or partnerships for those attending. Will other communities be invited to attend? Have you reached out to neighboring communities to identify training demand? N/A

4. Please select if your project will include: N/A

- EAB Management Plan Ash Tree removals Ash Inventories (includes complete tree inventories)
- EAB Insecticide treatment Ash tree replacement planting EAB Education and Outreach

5. Please select if your project will result in: N/A

- A current, useful, written, inventory-based urban forest management plan
- One or more tree ordinance(s) that is/are useful for achieving your community tree care and management goal
Type of ordinance planned to be developed or enhanced (i.e. general street tree, new development, tree protection, etc)
- An authorized citizen tree board or other organized group actively involved in advising your community urban forestry program
- Staff, tree service contractors &/or volunteers receiving a forestry degree, ISA certified arborist credentials, graduating from WI Community Tree Management Institute, or obtaining other advanced forestry training

6. Describe how each component of your project will have a long-term positive impact on the urban tree canopy and the benefits it provides (i.e. increased % canopy cover, or resiliency to pest/disease/storm, reduce liability) Quantify impacts to canopy or associated benefits wherever possible
Tie this narrative to the component listed in question #5

Urban Forestry Grants Application

Form 8700-298 (R 06/23)

Page 5 of 7

Section VI: Additional Applicant Information – Only applicable for Regular grants

1. Is the community where the project will be implemented a Green Tier Legacy Community? Yes No N/A

2. Is the community where the project will be implemented a Tree City USA? Yes No N/A
 (www.arborday.org/programs/treeCityUSA/index.cfm)

3. List any specific urban tree care or tree management training received, or conferences attended by your organization's staff or volunteers within the last three years. Please list no more than 5 separate trainings.

Date	Course Title	Training Description	Provider	Attendees

4. Have you received an Urban Forestry grant in the past 3 years? Yes No
 If so, how is this project different than the project(s) completed previously?

5. Describe any additional significant aspects or outstanding features of this project that you would like us to know about.

Urban Forestry Grants Application

Form 8700-298 (R 06/23)

Page 6 of 7

Section VII: Cost Estimate Worksheets

A SEPARATE WORKSHEET IS PROVIDED FOR EACH COMPONENT CHOSEN IN SECTION IV.B.

If more space is needed, return to Section IV.B , click + to add another component, choose the same Component name again, enter "Continued" in the Description, and return to this Section to complete your entry

Project Component:	Estimated Cost	Donation Value
In-Kind Labor & Services (specify project tasks on lines below, as appropriate)		
Applicant's Staff Labor.		
Fringe Benefits: Actual fringe benefits may not exceed the DOA rate. Fringe rate for 2024 is 47.60%		
Other		
Donated Consultants/Contractors/Services (professional rate)		
Volunteer Labor (\$15.00/hr.)		
Municipal Partner Labor Expense (Cooperative Agreement will be required)		
Equipment (specify type of equipment and DOT class code on lines below, as appropriate) See application guidelines for a list of commonly used equipment codes.		
Provided by Applicant		
Donated by third parties:		
Supplies (specify items on lines below, as appropriate)		
Provided by Applicant's On-hand Inventory		
Donated by third parties		
Cash Expenditures (specify out of pocket payments as appropriate)		
Hired Consultants/Contractors/Services (professional rate)		
Purchased Equipment (not to exceed \$5,000 /item):		
Rented or Contracted Equipment.		
Other Project Purchases:		
Estimated Sub-Total Cost/Donation Value for THIS component:	1	2.
Estimated Total for THIS component.	3.	

CALCULATIONS

Grant Calculation	Estimated Cost
A Estimated Project Total: Box 3 for ALL Project Components This amount is the Total Project Cost in Section II D.	
B. Estimated Donation Value. Box 2 for ALL Project Components	
C Estimated Cost: Box 1 for ALL Project Components	
D. 50% of Line A (Cannot be > \$25,000)	
E The smaller of Line C or Line D above. This is your GRANT REQUEST (Must be between \$1,000 and \$25,000.) This amount is the Grant Request in Section II.D.	
F Line A minus Line E This is YOUR SHARE. This amount is the Applicant's Share in Section II.D	

Section VIII: Certification and Submission

Application form and required attachments must be received by 11:59 p.m., October 2, 2023, for the application to be eligible.

Attachments

Provide a signed resolution that has been adopted by the applicant's governing body which gives the name of the applicant, authorizes funding for the project, designates an authorized representative (position title) to act on behalf of the applicant and states that the applicant will provide documentation of work done and follow all relevant state and federal rules. A sample resolution is provided at: <https://dnr.wi.gov/topic/UrbanForests/grants/documents/UFGrantsCombinedResolution.doc>
Check all items you plan to attach.

- Authorizing Resolution attached
- By-laws & articles of incorporation (501(c)(3) applicants only)
- Partner Verification Attached (8700-298A)

Submission Instructions

Review your application before continuing.

Submission by Email strongly recommended. If not possible, contact the Urban Forestry Financial Specialist

By my signature below, I hereby certify to the best of my knowledge, the information contained in this application and application attachments are correct and true. I understand and agree that any grant monies awarded as a result of this application shall be used in accordance with ch 23 097, Wis Stats., and ch 47, Wis. Adm. Code.


NOTE: Please type your name on the signature line. Your typed name, along with the email message generated from electronic submittal of this form, will be used as an electronic signature which is the legal equivalent to an actual signature.

Signature of Authorized Representative	Date Signed	Applicant's Authorized Representative (print)
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Position Title



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<p>APPROVAL</p> 	<p>REQUEST FOR COUNCIL ACTION</p>	<p>MEETING DATE</p> <p>10-03-2023</p>
<p>REPORTS & RECOMMENDATIONS</p>	<p>Letter of Understanding Between the City of Franklin and the Franklin Police Officers Association Local 280 Wisconsin Professional Police Association/LEER Regarding Hours of Work for Patrol Officers</p>	<p>ITEM NUMBER</p> <p>G.3.</p>
<p>The police officer union requests to change the shift hours of patrol officers to one hour earlier than the current shift hours for each shift. The Chief of Police supports this request.</p> <p>Fiscal Impact: There is no fiscal impact anticipated for this change.</p> <p>COUNCIL ACTION REQUIRED:</p> <p>Move to authorize city officials to enter into a Memorandum of Understanding (attached) with the police union to change patrol officer shift hours to one hour earlier than current shift hours.</p>		

**Memorandum of Understanding
Between
The City of Franklin
and the
Franklin Police Officers Association Local 280
Wisconsin Professional Police Association / LEER
Regarding Hours of Work Patrol Officers**

The City of Franklin and the Franklin Police Officers Association/Wisconsin Professional Police Association mutually agree to the adjustment of the Hours of Work for Patrol Officers on a trial basis. This agreement will sunset at the end of the current labor agreement and there is no dynamic status quo attached to it.

It is agreed to by the Association and the City that the collective bargaining agreement language will be modified as follows:

Article 7 HOURS OF WORK

Section 7.01 Hours of Work:

- A. **Patrol Officers:** The normal shifts shall be as follows: First Shift – 6:45 A.M. to 3:00 P.M.; Second Shift – 2:45 P.M. to 11:00 P.M.; Third Shift -10:45 P.M. to 7:00 A.M.; Swing Shift – 7:45 P.M. to 4:00 A.M.
1. This represents the complete understanding of the parties on this issue. Any amendments or modifications to this agreement must be made in writing.
 2. If at any time either party should seek to terminate this agreement, the Association and Administration shall meet in a timely manner and discuss this memo of understanding to decide if the parties agree to continue the language. Should either party not agree, that party shall provide written notification of the withdrawal of this agreement, effect 30 calendar days after the notice is provided.
 3. This Agreement shall not continue beyond the current Collective Bargaining Agreement. The agreement will automatically sunset, unless it is mutually agreed to by the City and the Association to incorporate the shift changes into a successor collective bargaining agreement.
 4. This Agreement shall not serve as precedent or past practice regarding any further alterations to the Collective Bargaining Agreement that either party shall seek in the future and shall not be used as evidence against either party in a proceeding unrelated to interpretation or application of this Agreement.
 5. This Agreement is the result of mutual draftsmanship and shall not be interpreted against either party on grounds of sole authorship.

Agreed to by:

Richard Oliva, Police Chief Date

Nick Coca, President Date


Kelly Hersh, Dir of Admin Date

Amy Wahl, Secretary Date

Karen Kastenson, City Clerk Date

Business Agent, WPPA Date

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APPROVAL 	REQUEST FOR COUNCIL ACTION	MTG. DATE October 3, 2023
Reports & Recommendations	Federal Emergency Management Agency's Floodplain Violation Resolution Program	ITEM NO. All Ald. Dists. G.4.

BACKGROUND

The Federal Emergency Management Agency provides the National Flood Insurance Program (NFIP); flood insurance is available to anyone living in one of the 23,000 participating NFIP communities. Homes and businesses in high-risk flood areas with mortgages from government-backed lenders are required to have flood insurance (FEMA.gov).

On August 2, 2022 the Wisconsin Department of Natural Resources (WDNR) contacted the City of Franklin regarding their annual Community Assistance Visit (CAV). The CAV is intended as a review and enforcement program for floodplain violations. Ongoing violations of floodplain protection laws, such as structures in the floodplain, represent a danger to health and safety.

A review of aerials dated 2007-2020 by FEMA and WDNR found 25 locations that appeared to be encroaching in a mapped floodplain. Staff was tasked with reviewing the list and developing a plan to bring all properties into compliance and develop a standard operating procedure to prevent these encroachments in the future. A draft workplan was produced by Staff and at the most recent CAV meeting with WDNR on September 20, 2023, WDNR was understanding of the current staffing situation in the Planning Department, but asked that progress on the identified encroachments be made.

ANALYSIS

This is a serious issue that cannot be delayed. Participation in the NFIP is critical to Franklin and failure to obtain compliance with WDNR would cause FEMA to become more involved.

Staff is prepared to send out letters to the properties shown on the attached three exhibits compiled by WDNR. The properties are spread throughout the City, and ownership includes public and private entities. Generally, Staff will work with the property owners to obtain compliance. Should compliance not be obtained in a timely manner, applicable citations will be issued.

OPTIONS

No action needed, this Council Action is for informational purposes.

FISCAL NOTE

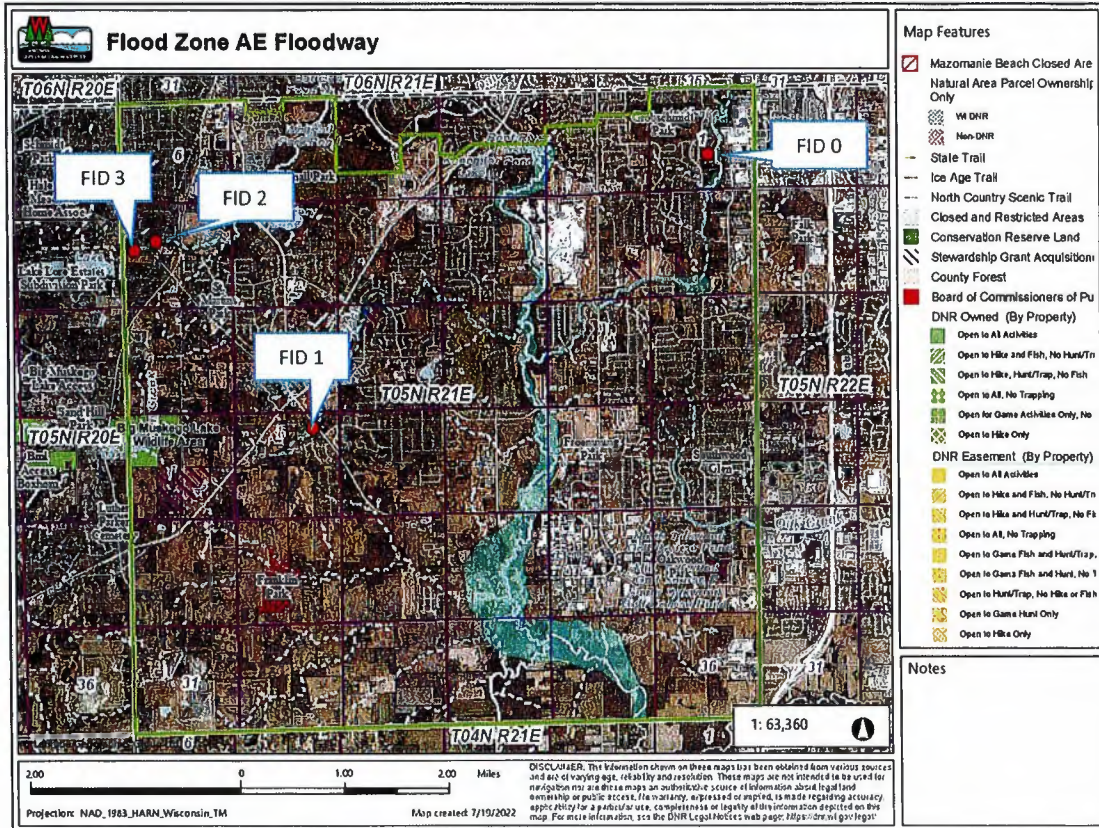
Generally, the costs are Staff time and future possible changes to permitting software. Costs to be determined.

RECOMMENDATION

Receive and place on file. Staff will send out letters and work with the applicable property owners as described above.

Engineering Department: GEM

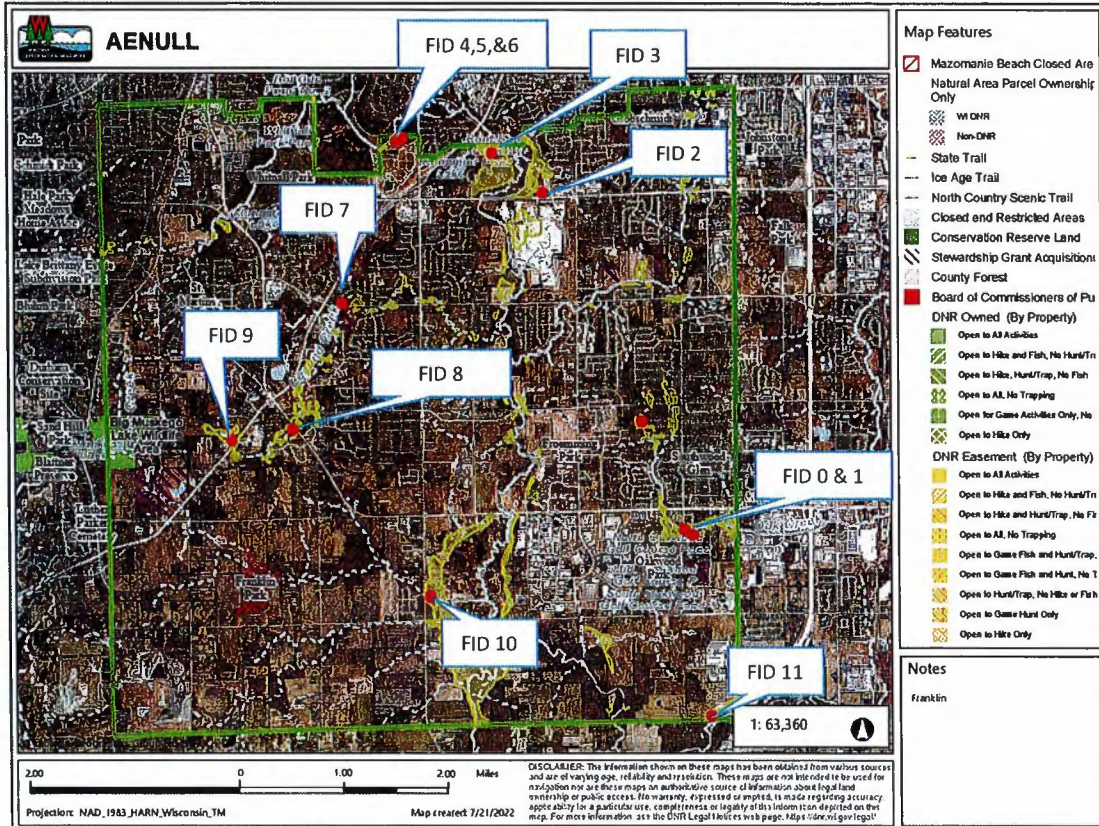
City of Franklin
 Potential NFIP Development Sites AE Floodway
 Milwaukee County, Wisconsin
 Prepared July 2022



- Potential sites
- Zone AE Floodway

Scale 1:1000 Approximately ↑
 N

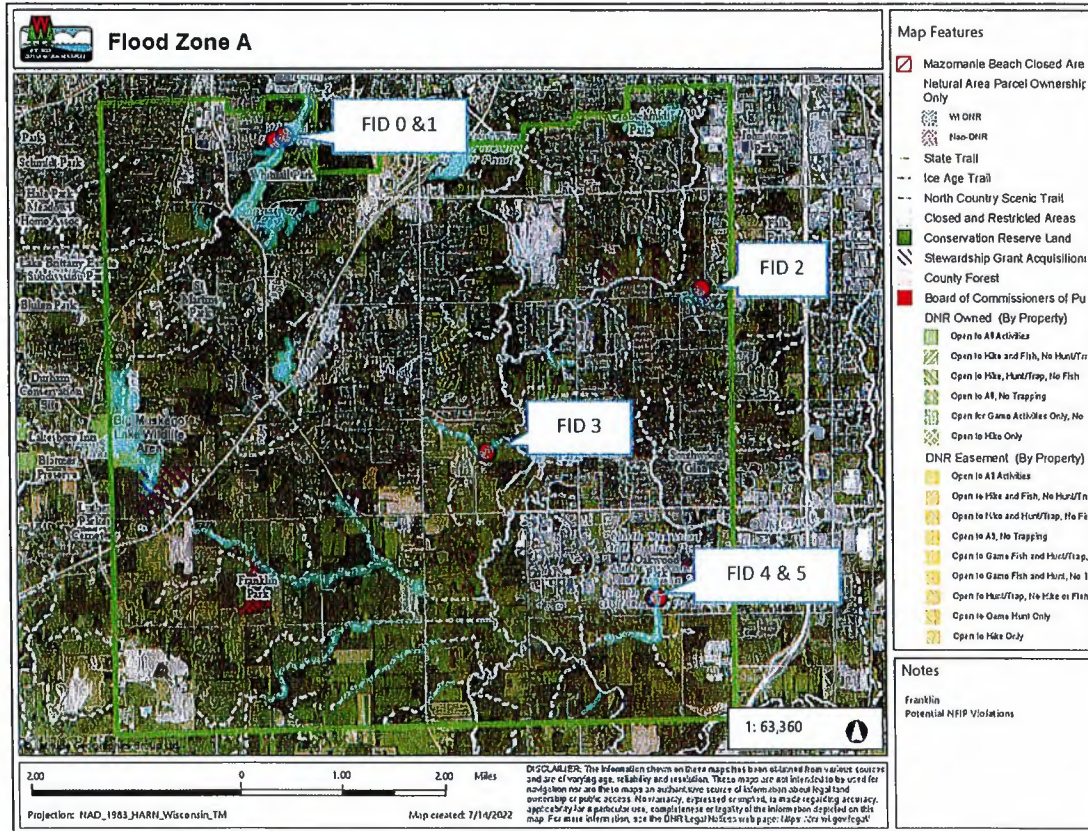
City of Franklin
 Potential NFIP Development Sites Zone AE Floodfringe
 Milwaukee County, Wisconsin
 Prepared July 2022



- Potential sites
- Zone AE Floodfringe

Scale 1:1000 Approximately ↑
N

City of Franklin
 Potential NFIP Development Sites Flood Zone A
 Milwaukee County, Wisconsin
 Prepared July 2022



- Potential Sites
- Zone A

Scale 1:1000 Approximately



APPROVAL 	REQUEST FOR COUNCIL ACTION	MTG. DATE October 3, 2023
Reports & Recommendations	Potential Water Service to Hale Park Highlands Area	ITEM NO. Ald. Dist. 6. <i>G. 5.</i>

BACKGROUND

Staff received a resident request for water supply extensions into the Hale Park Highlands area. Hale Park Highlands is a collection of subdivision additions in the northwest corner of Franklin roughly bounded by W. Woods Road to the south, Forest Home to the East, the Hales Corners municipal boundary to the north and Muskego municipal boundary to the west.



ANALYSIS

The Hale Park Highlands area without water availability is quite large. GIS tools indicate approximately 280 homes would be benefited. The resident requesting the water surveyed a significant number of homes in the area and collected 82 signatures. If attempted, this project would be quite expensive and likely be done in annual phases for budgetary reasons.

Staff recommends that if Common Council would like to develop this project(s), Staff should survey the un-served homes in the entire area north of the W. Woods Road (include properties on the south side of the road). Surveys would ask for those that wish to connect, wish to have water available but not connect, or want no part of a water main project in their neighborhood. Analyzing the results of the survey will result in recommended locations of projects and priorities.

OPTIONS

- A. Survey the approximate 280 un-served properties for desire of water service from W. Woods Road to the north.
- B. Receive and place on file, or
- C. Other direction to Staff.

FISCAL NOTE

The water tower on S. Lovers Lane is consuming the accumulated water impact fees. Water projects in this area would be funded with additional borrowed monies or future projects in annual budgets. Almost all of the projects would be assessible to benefited property owners. Any oversizing would be debt for the water impact fee funds.

RECOMMENDATION

(Option A) Direct Staff to survey the un-served properties for desire of water service from W. Woods Road to the north and return to Common Council when surveys are tabulated and analyzed for a recommendation.

Engineering Department: GEM

<p style="text-align: center;">APPROVAL</p> <p style="text-align: center;">✍</p>	<p style="text-align: center;">REQUEST FOR COUNCIL ACTION</p>	<p style="text-align: center;">MEETING DATE</p> <p style="text-align: center;">10/3/2023</p>
<p style="text-align: center;">Reports and Recommendations</p>	<p>Motion to approve the Director of Health and Human Services to accept the 2023 Division of Public Health Consolidated Contracts to continue funding health department grants.</p>	<p style="text-align: center;">ITEM NUMBER</p> <p style="text-align: center;">G.6.</p>
<p>Background: The Wisconsin Department of Health Services Division of Public Health awards grants in a variety of programs to local health departments. The Franklin Health Department (FHD) has again been awarded grant funding for the continuation of the following grants which run from July 1, 2023 through June 30, 2024:</p> <ul style="list-style-type: none"> • Bioterrorism Focus Planning (Public Health Emergency Preparedness) Grant: \$39,956 • Bioterrorism Preparedness (Cities Readiness Initiative) Grant: \$13,334 <p>These grants assist the FHD in offering programming and services to residents based upon analysis and assessment of community needs in addition to the services required of us by State and Municipal codes. Additional, the funding supports the FHD in planning for natural and public health disasters at the Community level.</p> <p>Recommendation: The Director of Health and Human Services recommends approval to accept the Division of Public Health Consolidated Contract Grants for 2023-2024 awarded to the Franklin Health Department.</p> <p>Fiscal Note: Without the additional grant funds above, many of the programs and services Franklin residents have become accustomed to would be reduced or become unavailable due to a loss of funds.</p> <p>The contract has been sent to the City of Franklin legal counsel for review in September 2023 with no changes recommended.</p> <p style="text-align: center;"><u>COUNCIL ACTION REQUESTED</u></p> <p>The Director of Health and Human Services requests a motion to approve the acceptance of the 2023-2024 Division of Public Health Consolidated Contract Grants for the Franklin Health Department.</p>		

Health Department: LG

Wisconsin Department of Health Services Contract Centralization Legal Review

Agreement Number: **57850-2**

Bureau of Procurement and Contracting (BPC) Review:

This agreement uses a BPC template with Office of Legal Counsel (OLC) approved language.

This agreement uses intergovernmental cooperative purchasing.

OLC Review Required:

This agreement does not use a BPC template with Office of Legal Counsel (OLC) approved language or uses a BPC template with requested language changes.

Description:

N/A

Office of Legal Counsel (OLC) Review and Approval:

This agreement has been reviewed for form and approved by the Wisconsin Department of Health Services Office of Legal Counsel.

DocuSigned by

Cody Wagner

31F480248CEC464

Name: Cody Wagner

Title: Office of Legal Counsel

9/15/2023

Date Signed



GRANT AGREEMENT MODIFICATION
between the
STATE OF WISCONSIN DEPARTMENT OF HEALTH SERVICES
And
FRANKLIN HD
for
2023 DPH LPHD Consolidated Contract

DPH Contract No.: 57850-2
Agreement Amount: \$53,290
Agreement Term Period: 10/01/2022 to 09/30/2024
GEARS Pre-Packet No: 24405

DHS Division: Division of Public Health
DHS Grant Administrator: Anna Benton
DHS Email: DHSGACMail@dhs.wisconsin.gov

Grantee Grant Administrator: Ms Lauren Gottlieb
Grantee Address: 9229 W LOOMIS RD, FRANKLIN, WI, 53132
Grantee Email: LLube@franklinwi.gov

Modification Description: We are adding funding for the Public Health Emergency Preparedness (PHEP) Program (Profiles 155015 and 155190). Please see attached Scope(s) of Work. Final reports are due 45 days from the end of the designated contract period for any included profiles.

This is a Modification of an existing Agreement, as specified above. This Modification of Agreement encompasses both Amendments and Addendums to an existing Grant Agreement. This Modification is entered into by and between the State of Wisconsin Department of Health Services (DHS) and the Grantee listed above. With the exception of the terms being modified by this Grant Agreement Modification, ALL OTHER TERMS AND CONDITIONS OF THE EXISTING AGREEMENT, INCLUDING FUNDING, REMAIN IN FULL FORCE AND EFFECT. This Modification, including any and all attachments herein and the existing agreement, collectively, are the complete agreement of the parties and supersede any prior agreements or representations. DHS and the Grantee acknowledge that they have read the Modification and understand and agree to be bound by the terms and conditions of the existing agreement as modified by this action. This Modification becomes null and void if the time between the earlier dated signature and the later dated signature exceeds sixty (60) days, unless waived by DHS.

State of Wisconsin
Department of Health Services

Authorized Representative

Name: _____
Title: _____
Signature: _____
Date: _____

Grantee
Entity Name: _____

Authorized Representative

Name: Lauren Gottlieb
Title: Director of Health and Human Services
Signature: _____
Date: _____

CIVIL RIGHTS COMPLIANCE ATTACHMENT

The Wisconsin Department of Health Services and Grantee agree to the below change to the agreement. The below enumerated agreement revision is hereby incorporated by reference into the agreement and is enforceable as if restated therein in its entirety.

Section 10 of the Agreement (“CIVIL RIGHTS COMPLIANCE”) is hereby amended by inserting the following:

In accordance with the provisions of Section 1557 of the Patient Protection and Affordable Care Act of 2010 (42 U.S.C. § 18116), Title VI of the Civil Rights Act of 1964 (42 U.S.C. § 2000d et seq.), Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. § 701 et seq.), the Age Discrimination Act of 1975 (42 U.S.C. § 6101 et seq.), and regulations implementing these Acts, found at 45 C.F.R. Parts 80, 84, and 91 and 92, the Grantee shall not exclude, deny benefits to, or otherwise discriminate against any person on the basis of sex, race, color, national origin, disability, or age in admission to, participation in, in aid of, or in receipt of services and benefits under any of its programs and activities, and in staff and employee assignments to patients, whether carried out by the Grantee directly or through a Sub-contractor or any other entity with which the Grantee arranges to carry out its programs and activities.

In accordance with the provisions of Section 11 of the Food and Nutrition Act of 2008 (7 U.S.C. § 2020), the Age Discrimination Act of 1975 (42 U.S.C. § 6101 et seq.), Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. § 701 et seq.), the Americans with Disabilities Act of 1990 (42 U.S.C. § 12101 et seq.), and Title VI of the Civil Rights Act of 1964 (42 U.S.C. § 2000d et seq.), and the regulations implementing these Acts, found at 7 C.F.R. Parts 15, 15a, and 15b, and Part 16, 28 C.F.R. Part 35, and 45 C.F.R. Part 91, the Grantee shall not discriminate based on race, color, national origin, sex, religious creed, disability, age, or political beliefs or engage in reprisal or retaliation for prior civil rights activity in any program or activity conducted or funded by the United States Department of Agriculture.

HIGH-RISK IT REVIEW

Pursuant to Wis. Stat. 16.973(13), Contractor is required to submit, via the contracting agency, to the Department of Administration for approval any order or amendment that would change the scope of the contract and have the effect of increasing the contract price. The Department of Administration shall be authorized to review the original contract and the order or amendment to determine whether the work proposed in the order or amendment is within the scope of the original contract and whether the work proposed in the order or amendment is necessary. The Department of Administration may assist the contracting agency in negotiations regarding any change to the original contract price.

GEARS PAYMENT INFORMATION

DHS GEARS STAFF INTERNAL USE ONLY
GEARS PAYMENT INFORMATION

The information below is used by the DHS Bureau of Fiscal Services, GEARS Unit, to facilitate the processing and recording of payments made under this Agreement.

Agency #:	Agency Name:	Agency Type:	GEARS Contract Start Date	GEARS Contract End Date	Program Total Contract:
472787	FRANKLIN HD	460	7/1/2023	6/30/2024	\$53,290

Profile ID#	Profile Name	Profile Note	Profile Current Amount	Profile Change Amount	Profile Total Amount	Funding Controls
155015	BIOT FOCUS A PLANNING		-	\$39,956	\$39,956	N/A
155190	BIOT PREPARE - CRI		-	\$13,334	\$13,334	N/A
					\$53,290	

GEARS FEDERAL AWARD INFORMATION

DHS Profile Number	155015	155190
FAIN	NU90TP922055	NU90TP922055
Federal Award Date	6/13/2023	6/13/2023
Sub-award period of Performance Start Date	7/1/2023	7/1/2023
Sub-award period of Performance End Date	6/30/2024	6/30/2024
Amount of Federal Funds obligated (committed) by this action	\$39,956	\$13,334
Total Amount of Federal Funds obligated (committed)	\$39,956	\$13,334
Federal Award Project Description	To enhance Wisconsin's ability to rapidly mobilize, surge, and respond to public health emergencies identified by CDC	To enhance Wisconsin's ability to rapidly mobilize, surge, and respond to public health emergencies identified by CDC.
Federal Awarding Agency Name (Department)	Department of Health and Human Services - Centers for Disease Control and Prevention	Department of Health and Human Services - Centers for Disease Control and Prevention
DHS Awarding Official Name	Debra K Standridge	Debra K Standridge
DHS Awarding Official Contact Information	608-266-9622	608-266-9622
Assistance Listing (formerly CFDA) Number	93 069	93 069
Assistance Listing (formerly CFDA) Name	Public Health Emergency Preparedness	Public Health Emergency Preparedness
Total made available under each Federal award at the time of disbursement	\$11,812,034	\$11,812,034
R&D?	No	No
Indirect Cost Rate	7.9%	7.9%

**Wisconsin Cities Readiness Initiative Contract Objectives
Centers for Disease Control and Prevention Public Health Emergency
Preparedness Cooperative Agreement
Budget Period 1901-05: July 1, 2023 – June 30, 2024**

CRI BP-1901-05 Contract Objectives and Deliverables

The following deliverables pertain only to the following local health departments:

Milwaukee County Zones

- Wauwatosa Health Department (Zone C)
- West Allis Health Department (Zone C)
- Franklin Health Department (Zone D)
- Greendale Health Department (Zone D)
- Greenfield Health Department (Zone D)
- Hales Corners Health Department (Zone D)
- Cudahy Health Department (Zone E)
- Oak Creek Health Department (Zone E)
- South Milwaukee/St. Francis Health Department (Zone E)

Individual Reporting Jurisdictions

- City of Milwaukee Health Department
- North Shore Health Department
- Kenosha County Division of Health
- Pierce County Public Health Department
- Racine County Public Health Division
- City of Racine Public Health Department
- St. Croix County Health & Human Services
- Washington Ozaukee Public Health Department
- Waukesha County Department of Health & Human Services

Objectives

As Wisconsin falls in the CDC's "Other Local Cities Readiness (CRI) Jurisdictions" risk category, our focus will be on maintaining *baseline* operational readiness for an anthrax event, and *full* operational readiness for a pandemic influenza event.

CDC will continue to suspend Cities Readiness Initiative (CRI) exercise requirements and Operational Readiness Review (ORR) data submissions during Budget Period 5 (BP5). Although CDC will not collect CRI data, CDC expects CRI programs to continue collaborating and coordinating preparedness and response activities with their state PHEP programs. This includes planning, training, exercising, conducting drills, and recovery activities. **There is no requirement for CRI and other local jurisdictions to submit ORR data to CDC in Budget Period 5.**

The Wisconsin Department of Health Services (DHS) has established the following objectives and deliverables for completion by CRI jurisdictions, in addition to their PHEP objectives and deliverables, during the budget period from July 1, 2023 to June 30, 2024.

These objectives are based on CDC's Public Health Emergency Preparedness and Response Capabilities and Operational Readiness Review (ORR) Guidance and include references to these guidance documents where applicable.

CRI staff can send questions regarding the ORR to DHSOperationalReadinessReview@wi.gov.

Priority Capabilities

During this budget period, July 1, 2023 to June 30, 2024, the Wisconsin Department of Health Services is prioritizing the following capabilities:

- Capability 8: Medical Countermeasures Dispensing and Administration
- Capability 9: Medical Materiel Management and Distribution

Deliverables

1. All CRI jurisdictions will submit a proposed budget by completing and uploading the PHEP CRI BP5 Budget Template to the Partner Communication and Alerting (PCA) Portal [Local Preparedness Budget Management page](#). All CRI jurisdiction will report final expenditures by editing the agency's original submitted Local and Tribal Preparedness Budget Form on the PCA Portal. To request access to the PCA Portal, please contact DHSPCAPortal@dhs.wisconsin.gov.
 - a. By June 30, 2023 submit the proposed budget on the PCA Portal.
 - b. By August 15, 2024, submit final expenditures on the PCA Portal.
2. All local health department staff responsible for CRI objectives and deliverables will [subscribe](#) to receive WI DHS *Public Health Emergency Preparedness Planning: Operational Readiness Review - Cities Readiness Initiative* email communications.
3. All CRI jurisdictions will assure a main and backup staff have access to CDC Secure Access Management Services (SAMS) so they can access the PHEP ORR Reporting and Tracking System (PORTS) when CDC begins onboarding CRI jurisdictions (timeline TBD). Please contact Kay Mittelstadt-Lock at Kay.MittelstadtLock@wi.gov for SAMS access. Because there is no requirement for CRI jurisdictions to submit ORR data to CDC in BP5, CDC has limited PORTS access to state staff.
4. By December 1, 2023, and again by June 3, 2024, all CRI jurisdictions will submit an action plan to DHSOperationalReadinessReview@wi.gov.
 - a. Action plans may focus on activities designed to address prioritized planning and operational gaps identified across any of the fifteen CDC Public Health Emergency Preparedness and Response Capabilities (Note: Previous Medical Countermeasures (MCM) Action Plans only focused on capabilities 8 and 9).
 - b. CRI jurisdictions may identify planning and operational gaps via various activities, including but not limited to areas of improvement identified in a jurisdiction's most recent ORR, exercises, real incidents, needs assessments, and more
 - c. CRI jurisdictions may use the MCM Action Plan template located on the PCA Portal [CRI page](#) or they may create their own.
5. All CRI jurisdictions will have at least one representative from their zone or jurisdiction participate in scheduled quarterly conference calls with DHS staff. These conference calls will provide an opportunity for CRI jurisdictions to address any challenges or barriers to completing action plans. Office of Preparedness and Emergency Health Care (OPEHC) capability leads will share information on entering data into PORTS and take questions regarding ORR guidance.

Capability 8: Medical Countermeasures Dispensing and Administration

Capability 9: Medical Materiel Management and Distribution

Corresponding Operational Readiness Review Element(s): CAP8.5a-o; CAP9.5b

6. By June 30, 2024, all CRI jurisdictions will update their dispensing/vaccination clinic (DVC) and points of dispensing (POD) sites in the [POD List Management Tool](#) on the PCA Portal.

Local and Tribal Public Health Emergency Preparedness Contract Objectives Centers for Disease Control and Prevention (CDC) Cooperative Agreement Budget Period 1901-05: July 1, 2023 – June 30, 2024

LTPHA BP-1901-05 Contract Objectives and Deliverables

The Wisconsin Department of Health Services (DHS) has established the following objectives and deliverables for completion by local and Tribal public health agencies (LTPHAs) during the budget period from July 1, 2023 to June 30, 2024 with the goal of moving Wisconsin local and Tribal public health emergency preparedness efforts forward.

These objectives are based on the Public Health Emergency Preparedness and Response Capabilities, which CDC released in 2018 and updated in 2019. In addition, these objectives are written, where applicable, to align with CDC's latest Operational Readiness Review (ORR) Guidance. Objectives list corresponding ORR elements, where applicable. The Wisconsin state Public Health Emergency Preparedness (PHEP) Program will submit ORR data in budget period 5 per CDC guidance. **There is no requirement for Cities Readiness Initiative (CRI) local planning jurisdictions or non-CRI local and Tribal agencies to submit ORR data in budget period 5.**

During this budget period, DHS anticipates that LTPHAs will continue to use a "whole community" approach as defined by FEMA. A "whole community" approach is the idea that preparedness is a shared responsibility that must include the full range of preparedness stakeholders, including not just government, but also individuals and families (including those with access and functional needs), businesses, community organizations, schools, nonprofits, media outlets, and more.

Planning for a whole community should address health equity issues by considering individuals with access and functional needs. Per CDC's Access and Functional Needs Toolkit (March 2021), The term "access and functional needs" refers to individuals with and without disabilities, who may need additional assistance because of any condition (temporary or permanent) that may limit their ability to act in an emergency. Individuals with access and functional needs do not require any kind of diagnosis or specific evaluation. Populations with access and functional needs may include but are not limited to:

- Children and youth
- Individuals with chronic diseases or underlying conditions
- Individuals with cognitive impairment
- Individuals with developmental disabilities
- Individuals with hearing impairment
- Individuals experiencing homelessness or housing instability
- Individuals with language barriers and/or limited English proficiency
- Marginalized populations experiencing social, political, or economic exclusions, such as people living in poverty, people experiencing racism, or people who are undocumented
- Older population
- Individuals with limited access to transportation
- Individuals with limited access to the internet or Wi-Fi
- Underserved communities, such as rural or uninsured/underinsured communities
- Individuals with visual impairment
- People who are pregnant
- Others

Using PHEP Funds for Response

During this budget period, LTPHAs may use PHEP funding to support response activities if the activities support progress toward achieving CDC's public health preparedness and response capabilities and demonstrate related operational readiness. PHEP cooperative agreement funding is intended primarily to support preparedness activities that help ensure state and local public health departments are prepared to prevent, detect, respond to, mitigate, and recover from a variety of public health threats. PHEP funds may, on a limited, case-by-case basis, be used to support response activities to the extent they are used for their primary purposes: to strengthen public health preparedness and enhance the capabilities of state, local, and Tribal governments to respond to public health threats. LTPHAs must receive prior approval from the Wisconsin PHEP program for any proposed response activities.

Joint PHEP/HPP Activities

Objectives that align with program requirements as set forth by the CDC PHEP program and the Assistant Secretary for Preparedness and Response (ASPR) Hospital Preparedness Program (HPP) are indicated as a '(Joint PHEP/HPP Activity)'. The Wisconsin PHEP program recommends that LTPHAs coordinate with their regional Healthcare Emergency Readiness Coalition (HERC) on these activities.

Required Reporting

Year-end reporting on all contract deliverables is due June 30, 2024. Required reporting will be accessed via the Partner Communications and Alerting (PCA) Portal once available. Additional information about year-end reporting will be communicated to local and Tribal preparedness staff throughout the budget period via email communications and PHEP Questions and Answers (Q&A) webinars. Local and Tribal preparedness staff should sign up to receive Public Health Emergency Preparedness email communications if they have not already.

Priority Capabilities

During this budget period, July 1, 2023 to June 30, 2024, the Wisconsin Department of Health Services is prioritizing the following capabilities:

- Capability 6: Information Sharing
- Capability 7: Mass Care

Contract Objectives

Budget Management

All LTPHAs will submit a proposed budget by completing and uploading the PHEP BP5 Budget Template to the Partner Communication and Alerting (PCA) Portal [Local Preparedness Budget Management page](#). All LTPHAs will report final expenditures by editing the agency's original submitted Local and Tribal Preparedness Budget Form on the PCA Portal. To request access to the PCA Portal, please contact DHSPCAPortal@dhs.wisconsin.gov.

Deliverable 1: By June 30, 2023, submit the proposed budget on the PCA Portal.

Deliverable 2: By August 15, 2024, submit final expenditures on the PCA Portal.

Capability 1: Community Preparedness (recurring objectives)

Function 1: Determine risks to the health of the jurisdiction.

Corresponding Operational Readiness Review Element(s): CAP1.1a

1. (Joint PHEP/HPP Activity) All LTPHAs will conduct a hazard vulnerability assessment (HVA), update their current HVA, or participate in their regional Healthcare Emergency Readiness Coalition (HERC) HVA process or other collaborative HVA process to provide input and feedback. LTPHAs must incorporate considerations for populations that may be disproportionately impacted by incidents or events.
 - a. LTPHAs should strive to identify and prioritize jurisdictional risks, risk-reduction strategies, and risk-mitigation efforts in coordination with community partners and stakeholders.
 - b. To align with HERC HVA processes, LTPHAs should strive to identify resources that are most likely to be scarce in the event of each of the top 5 hazards.

Note: A hazard vulnerability assessment is sometimes also referred to as a hazard analysis or a risk assessment.

Deliverable 3: By June 30, 2024, conduct an HVA, update a current HVA, or participate in your regional HERC HVA process or other collaborative HVA process and report completion status, including how considerations for disproportionately impacted populations were incorporated. LTPHAs that do not participate in their regional HERC HVA process must share the results with their [regional HERC Coordinator](#).

Function 2: Strengthen community partnerships to support public health preparedness.

Function 3: Coordinate with partners and share information through community social networks.

Corresponding Operational Readiness Review Element(s): PPS1.a-h, CAP1.3

2. (Joint PHEP/HPP Activity) All LTPHAs will play an active role in their regional Wisconsin [Healthcare Emergency Readiness Coalition \(HERC\)](#), including participation in strategic planning,

relevant trainings, exercises, and other activities. Contact your regional HERC Coordinator for more information.

Deliverable 4: By June 30, 2024, maintain involvement in regional HERC and report in what capacity your LTPHA was involved

- 3 (Joint PHEP/HPP Activity) All LTPHAs will submit evidence of working with partners that support public health preparedness, response, or recovery activities. Identified partners may support risk-mitigation, coordinate delivery of public health messages and services, and improve emergency operation and preparedness services for their communities. These should include partners that support populations with access and functional needs

Deliverable 5: By June 30, 2024, work with partners that support public health preparedness, response, or recovery activities and report 2-3 partners that serve populations with access and functional needs with whom you engage, including name, type, access and functional needs population groups represented, and current or planned methods for engagement.

Capability 3: Emergency Operations Coordination (recurring objectives)

Function 1: Conduct preliminary assessment to determine the need for activation of public health emergency operations.

Corresponding Operational Readiness Review Element(s): WDT1.a-b, Critical Contact Sheet (CCS)

- 4 All LTPHA staff assigned to preparedness and/or response roles will complete at minimum the following National Incident Management System (NIMS) courses within six months of hire or assignment: Introduction to Incident Command System (IS-100.c); Incident Command System for Single Resources and Initial Action Incidents (IS-200.c); National Incident Management System, An Introduction (IS-700.b); and National Response Framework, An Introduction (IS-800.d).

Deliverable 6: By June 30, 2024, all staff assigned to preparedness and/or response roles will complete minimum required NIMS courses (IS-100, IS-200, IS-700, IS-800) within six months of hire or assignment and LTPHAs will report completion status.

5. All LTPHAs will maintain a minimum of three emergency contacts on the PCA Portal and will update contact information annually. LTPHAs are strongly encouraged to include their health officer or Tribal health director as one of these contacts.

Deliverable 7: By June 30, 2024, ensure that your LTPHA has at least three staff with profiles on the PCA Portal and that these staff have reviewed their profile for accuracy, indicated their "emergency call list ranking", and marked the checkbox next to "I have reviewed my profile". Any changes to this contact information should be updated at the time of the change. LTPHA staff can make edits to their existing profile. If an LTPHA staff member profile needs to be removed, please send a request via email to DHSPCAPortal@dhs.wisconsin.gov.

Capability 6: Information Sharing (priority capability)

Function 1: Identify stakeholders that should be incorporated into information flow and define information sharing needs.

Corresponding Operational Readiness Review Element(s): CAP6.1a; PPS1.a-h

6. All LTPHAs will develop or maintain a roster of identified stakeholders to engage for bi-directional information exchange across partners and stakeholders.
 - a. LTPHAs should identify and include partners and stakeholders that serve populations with access and functional needs, including but not limited to those defined in CDC's latest PHEP ORR guidance (see also page 1 of this document).

Deliverable 8: By June 30, 2024, develop or maintain a roster of identified stakeholders to engage for bi-directional information exchange and report 2-3 identified stakeholders. Successful completion of reporting for Deliverable 5 will satisfy reporting for this deliverable.

7. All LTPHAs will have procedures to review and regularly update a roster of identified stakeholders and information systems to store and retrieve stakeholder contact information in a timely manner.
 - a. Examples of procedures to maintain rosters may include but are not limited to participation in local or regional partner meetings and events, bidirectional email and phone communications, or conducting drills of communication platforms. These examples are provided for reference; LTPHAs are not expected to change their existing procedures if they meet the intent of this objective.
 - b. Examples of information systems used to store contact information may include but are not limited to Microsoft Excel, RAVE, and ReadyOp. These examples are provided for reference; LTPHAs are not expected to change their existing information systems if they meet the intent of this objective.

Deliverable 9: By June 30, 2024, report basic description of procedures and information systems used to maintain roster of identified stakeholders.

Capability 7: Mass Care (priority capability)

Function 1: Determine public health role in mass care operations.

Corresponding Operational Readiness Review Element(s): CAP7.1a-g; CAP7.2; PPS1.a-h

8. All LTPHAs will have procedures to coordinate with ESF #6, #8, and #11 partners, including emergency management, environmental health, community-based organizations, human services, and other partners, to identify the jurisdictional public health agency lead or support role(s) for mass care.

Deliverable 10: By June 30, 2024, complete the mass care roles and responsibilities table (provided by the state PHEP program) in coordination with agency and community partners and submit to state PHEP program.

9. All LTPHAs will have at minimum one representative attend or watch recordings of coordination calls with representatives from Voluntary Organizations Active in Disaster (VOAD) such as Red Cross, Salvation Army, Team Rubicon, 2-1-1, and faith-based organizations, or other mass care partners such as human services and emergency management. These calls are anticipated to be included during scheduled PHEP Q&A webinars.

Deliverable 11: By June 30, 2024, report completion status.

Capability 15: Volunteer Management (recurring objectives)

Function 1: Recruit, coordinate, and train volunteers.

Corresponding Operational Readiness Review Element(s): CAP15.1a-e

10. All LTPHAs will identify a jurisdictional Wisconsin Emergency Assistance Volunteer Registry (WEAVR) administrator and review their contact information annually. Any changes in WEAVR administrator contact information should be reported at the time of the change by the Local Health Officer or Tribal Health Director to DHSWEAVRMail@dhs.wisconsin.gov.

Deliverable 12: By June 30, 2024, maintain jurisdictional WEAVR administrator contact information and report name, email, and phone.

Function 2: Notify, organize, assemble, and deploy volunteers.

Corresponding Operational Readiness Review Element(s): CAP15.2

11. All LTPHA Wisconsin Emergency Assistance Volunteer Registry (WEAVR) administrators will conduct at least one alerting drill or utilize the system during a real-world event to alert registered volunteers. Please contact DHSWEAVRMail@dhs.wisconsin.gov to set up a WEAVR orientation training or for questions or assistance needs regarding use of the system. WEAVR resources, including tip sheets, are available on the PCA Portal [Volunteer Management page](#)

Deliverable 13: By June 30, 2024, conduct at least one alerting drill (or utilize WEAVR during a real-world event) to alert registered volunteers and report name and date of drill or event, number of volunteers contacted, and number of volunteers that responded to the WEAVR message.

HSEEP Consistent After Action Report/Improvement Plan (recurring objective)

Corresponding Operational Readiness Review Element(s): OPS1.a-i

12. (Joint PHEP/HPP Activity) All LTPHAs will participate in at least one Homeland Security Exercise and Evaluation Program (HSEEP) consistent exercise. Use of Incident Command System (ICS) to manage a real event may be used in lieu of an exercise as long as an HSEEP consistent After Action Report (AAR)/Improvement Plan (IP) is completed. *Note: This AAR/IP may focus on any one or multiple of the 15 public health emergency preparedness and response capabilities. LTPHAs can participate with their regional HERC in the development of an AAR.*

- a. All LTPHAs that received state-supplied vaccine to conduct a school-located mass vaccination exercise during budget period 5 (7/1/23 - 6/30/24) must complete an HSEEP consistent AAR/IP of the exercise using the Immunization Program Functional Exercise AAR/IP template. This AAR/IP will satisfy deliverable 14.
- b. Cities Readiness Initiative (CRI) jurisdictions are strongly encouraged to exercise processes for dispensing medical countermeasures (MCM) in dispensing vaccination clinics (DVC) sites.

For LTPHAs that received state-supplied vaccine to conduct a school-located mass vaccination exercise during budget period 5 (7/1/23 - 6/30/24): Deliverable 14: By April 30, 2024, post

HSEEP consistent AAR/IP to the PCA Portal [After Action Reports page](#). LTPHAs that participated with their regional HERC in the development of an AAR/IP should ensure that their agency is listed as a participating organization in the document and that either the regional HERC Coordinator or a representative from one LTPHA in the region has posted the AAR/IP to the After Action Reports page.

For LTPHAs submitting other AARs: Deliverable 14: By June 30, 2024, post HSEEP consistent AAR/IP to the PCA Portal [After Action Reports page](#). LTPHAs that participated with their regional HERC in the development of an AAR/IP should ensure that their agency is listed as a participating organization in the document and that either the regional HERC Coordinator or a representative from one LTPHA in the region has posted the AAR/IP to the After Action Reports page.

Self-directed Objective

13. All LTPHAs will identify and complete one preparedness activity of their choosing that is reviewed and approved by the Wisconsin state PHEP program. This objective must:
- a) support the building or sustaining of at least one CDC public health emergency preparedness and response capability.
 - b) incorporate considerations for at least one population with access and functional needs.
 - c) include a clearly defined performance measure.
 - d) identify a reasonable associated deliverable to be met by June 30, 2024.

Deliverable 15: By June 30, 2024, all LTPHAs will identify and complete a self-directed deliverable of their choosing that has been reviewed and approved by the state PHEP program.

Example:

Capability 6: Information Sharing

(Name of Health Department/Tribal Health Center) will develop or maintain system(s) or process(es) for information exchange with community members and/or key partners to improve information sharing for situational awareness during routine operations and public health events or incidents.

Deliverable: By June 30, 2023, XX Health Department/Tribal Health Center will incorporate at minimum 2 additional demographic data metrics into existing public health data dashboards based on input from partners that serve populations with access and functional needs.

Additional examples of self-directed deliverables conducted by LTPHAs during PHEP Budget Period 3 (7/1/22 – 6/30/23) are available to reference on the PCA Portal [Local and Tribal Objectives page](#). Additional information about how LTPHAs submit and receive approval on self-directed deliverables will be made available via email communication.

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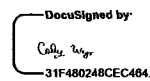
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<p style="text-align: center;">APPROVAL</p> <p style="text-align: center;"><i>[Signature]</i></p>	<p style="text-align: center;">REQUEST FOR COMMON COUNCIL ACTION</p>	<p style="text-align: center;">MEETING DATE October 3, 2023</p>
<p style="text-align: center;">REPORTS & RECOMMENDATIONS</p>	<p style="text-align: center;">Acceptance of the 2022 Annual Comprehensive Financial Report for the City of Franklin</p>	<p style="text-align: center;">ITEM NUMBER G.7.</p>

Background

CliftonLarsonAllen, LLP (CLA) has completed the 2022 Audit and the 2022 Annual Comprehensive Financial Report (ACFR) for the City of Franklin was prepared. A copy of the 2022 Annual Financial Report is attached for your review

An audit of the City's accounts is required by State Statute. A complimentary report is filed with the Department of Revenue and various other regulatory and funding agencies.

The Finance Committee reviewed the report at their August 26, 2023 meeting and recommends Common Council accept the report and place on file.

This council action was tabled at the September 19, 2023 meeting due to a copy of the ACFR not being provided.

A final bound 2022 ACFR will be distributed to the Common Council at tonight's meeting.

COUNCIL ACTION REQUESTED

Motion to accept and place on file the 2022 Annual Comprehensive Financial Report for the City of Franklin.

Finance Dept - DB

CITY OF FRANKLIN, WISCONSIN
Franklin, Wisconsin

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

YEAR ENDED DECEMBER 31, 2022



CPAs | CONSULTANTS | WEALTH ADVISORS

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**CITY OF FRANKLIN, WISCONSIN
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INDEPENDENT AUDITORS' REPORT

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

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Franklin, Wisconsin (the City), as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Franklin, Wisconsin, as of December 31, 2022, and the respective changes in financial position, and, where applicable, cash flows thereof and the budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis-of-Matter – Implementation of New Standard

As discussed in Note 1 to the financial statements, effective January 1, 2022, the City adopted new accounting guidance for leases. The guidance requires lessors to recognize a lease receivable and a corresponding deferred inflow of resources for all leases with lease terms greater than twelve months. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- Exercise professional judgment and maintain professional skepticism throughout the audit
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of City's internal control. Accordingly, no such opinion is expressed
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about City's ability to continue as a going concern for a reasonable period of time

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit

Required Supplementary Information

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

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not part of the basic financial statements, is required by the Governmental Accounting Standards Board, who consider it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

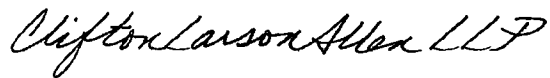
Supplementary Information

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

Mayor and Common Council
City of Franklin, Wisconsin

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated July 28, 2023, on our consideration of the City's internal control over financial reporting and on our test of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.



CliftonLarsonAllen LLP

Milwaukee, Wisconsin
July 28, 2023

BASIC FINANCIAL STATEMENTS

**CITY OF FRANKLIN, WISCONSIN
STATEMENT OF NET POSITION
DECEMBER 31, 2022**

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and investments	\$ 65,941,406	\$ 7,470,839	\$ 73,412,245
Receivables, net			
Accounts receivable	1,565,043	2,623,298	4,188,341
Taxes receivable	13,702,674	-	13,702,674
Special assessments receivable	145,242	-	145,242
Leases	1,547,026	1,547,026	3,094,052
Interest	40,038	-	40,038
Due from other governments	118,268	1,371,802	1,490,070
Prepaid items	9,003	-	9,003
Inventories	46,704	-	46,704
Long term advances	71,450	(71,450)	-
Restricted cash and investments	-	482,900	482,900
Due from other governments - long term	-	12,262,757	12,262,757
Restricted pension assets	10,959,949	1,120,618	12,080,567
Capital assets (net of accumulated depreciation)			
Land	28,834,631	888,479	29,723,110
Buildings and improvements	16,061,675	3,985,485	20,047,160
Machinery and equipment	9,012,345	1,417,717	10,430,062
Infrastructure	91,905,465	101,844,600	193,750,065
Construction in progress	7,628,440	9,236,617	16,865,057
Total assets	247,589,359	144,180,688	391,770,047
DEFERRED OUTFLOWS OF RESOURCES			
Pension-related	19,755,264	922,966	20,678,230
OPEB-related	1,640,432	82,106	1,722,538
Total deferred outflow of resources	21,395,696	1,005,072	22,400,768

Continued

See accompanying Notes to Financial Statements

**CITY OF FRANKLIN, WISCONSIN
STATEMENT OF NET POSITION
DECEMBER 31, 2022**

	Governmental Activities	Business-Type Activities	Total
LIABILITIES			
Accounts payable	4,534,031	2,167,931	6,701,962
Accrued liabilities	1,009,628	17,701	1,027,329
Due to other governments	133,620	-	133,620
Accrued interest	411,930	72,524	484,454
Unearned revenue	5,361,186	-	5,361,186
Special deposits	251,269	-	251,269
Noncurrent liabilities			
Due within one year	3,470,267	1,594,036	5,064,303
Due in more than one year	50,497,345	16,095,956	66,593,301
Total liabilities	<u>65,669,276</u>	<u>19,948,148</u>	<u>85,617,424</u>
DEFERRED INFLOWS OF RESOURCES			
Subsequent year property taxes	26,138,496	-	26,138,496
Leases	1,502,128	1,502,128	3,004,256
Pension-related	24,588,235	1,648,067	26,236,302
OPEB-related	1,165,909	57,578	1,223,487
Total deferred inflow of resources	<u>53,394,768</u>	<u>3,207,773</u>	<u>56,602,541</u>
NET POSITION			
Net Investment in capital assets	129,710,656	99,269,802	220,138,658
Restricted for			
Debt service	382,369	-	382,369
Utility improvements	2,649,144	-	2,649,144
Development	11,515,336	-	11,515,336
TIF Districts	9,400,464	-	9,400,464
Grants and Donations	250,914	-	250,914
Opioid Settlement	73,238	-	73,238
Health services	184,821	-	184,821
Library services	522,731	-	522,731
Solid waste	421,841	-	421,841
Recreational services	79,298	-	79,298
Tourist commission	394,123	-	394,123
Equipment replacement	-	482,900	482,900
Intergovernmental agreement	-	13,634,559	13,634,559
Pension assets	10,959,949	1,120,618	12,080,567
Unrestricted	(16,623,873)	7,521,960	(260,113)
Total net position	<u>\$ 149,921,011</u>	<u>\$ 122,029,839</u>	<u>\$ 271,950,850</u>

See accompanying Notes to Financial Statements

**CITY OF FRANKLIN, WISCONSIN
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2022**

Functions/Programs	Expenses	Program Revenue			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental activities							
General government	\$ 3,436,109	\$ 186,255	\$	\$	\$ (3,249,854)	\$	\$ (3,249,854)
Public safety	16,981,245	3,319,068	421,505	308,782	(12,931,890)		(12,931,890)
Public works	9,088,568	5,016,655	1,932,801	2,520,038	380,926		380,926
Health and human services	1,169,087	297,431	580,490		(291,166)		(291,166)
Culture and recreation	2,344,477	202,123	106,325	293,603	(1,742,426)		(1,742,426)
Conservation and development	3,877,875	4,321,206			443,331		443,331
Interest on long term debt	1,216,078				(1,216,078)		(1,216,078)
Total governmental activities	<u>38,113,439</u>	<u>13,342,738</u>	<u>3,041,121</u>	<u>3,122,423</u>	<u>(18,607,157)</u>		<u>(18,607,157)</u>
Business-type activities							
Water	5,679,691	6,086,336		707,340		1,113,985	1,113,985
Sewer	6,339,394	4,395,181		125,494		(1,818,719)	(1,818,719)
Total business-type activities	<u>12,019,085</u>	<u>10,481,517</u>		<u>832,834</u>		<u>(704,734)</u>	<u>(704,734)</u>
Total primary government	<u>\$ 50,132,524</u>	<u>\$ 23,824,255</u>	<u>\$ 3,041,121</u>	<u>\$ 3,955,257</u>	<u>(18,607,157)</u>	<u>(704,734)</u>	<u>(19,311,891)</u>
General revenue							
Property taxes levied for general purposes					21,359,649		21,359,649
Property taxes levied for debt service					1,100,000		1,100,000
Property taxes levied for TIF Districts					4,670,733		4,670,733
Other taxes					1,325,362		1,325,362
Intergovernmental revenue not restricted to specific programs					1,529,410		1,529,410
Investment earnings					926,300	495,308	1,421,608
Miscellaneous revenue					26,035	112,038	138,073
Transfers					834,604	(834,604)	
Total general revenue and transfers					<u>31,772,093</u>	<u>(227,258)</u>	<u>31,544,835</u>
Change in net position					<u>13,164,936</u>	<u>(931,992)</u>	<u>12,232,944</u>
Net position beginning					136,756,075	122,961,831	259,717,906
Net position ending					<u>\$ 149,921,011</u>	<u>\$ 122,029,839</u>	<u>\$ 271,950,850</u>

See accompanying Notes to Financial Statements

**CITY OF FRANKLIN, WISCONSIN
BALANCE SHEET – GOVERNMENTAL FUNDS
DECEMBER 31, 2022**

	<u>General</u>	<u>Debt Service</u>	<u>TIF Districts</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS					
Cash and investments	\$ 16 882 574	\$ 1 894 299	\$ 16 074 595	\$ 27 599 164	\$ 62 450 632
Receivables					
Accounts receivable	1 188 582			376 137	1 564 719
Taxes receivable	13 702 674	-			13 702 674
Special assessments receivable		10 662		134 580	145 242
Leases	1 547 026	-	-		1 547 026
Interest	40 038	-			40 038
Due from other governments	60 210			58 058	118 268
Due from other funds	1 326 957	-			1 326 957
Prepaid items	5 717	-		3 286	9 003
Inventories	46 704				46 704
Advances to other funds	71 450	-		1 500 000	1 571 450
TOTAL ASSETS	<u>\$ 34 871 932</u>	<u>\$ 1 904 961</u>	<u>\$ 16 074 595</u>	<u>\$ 29 671 225</u>	<u>\$ 82 522 713</u>
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Accounts payable	\$ 604 492	\$	\$ 2 146 697	\$ 1 779 655	\$ 4 530 844
Accrued liabilities	569 272			230 356	799 628
Due to other governments	133 620	-			133 620
Due to other funds	-	-	1 326 957		1 326 957
Unearned revenue			-	5 361 186	5 361 186
Special deposits	251 269	-		-	251 269
Advance from other funds			1 500 000		1 500 000
Total liabilities	<u>1 558 653</u>		<u>4 973,654</u>	<u>7 371 197</u>	<u>13 903 504</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable Revenue		10 662	-	134 580	145 242
Leases	1 502 128		-		1 502 128
Subsequent Year Tax Levy	20 441 335	1 100 000	3 223 161	1 374 000	26 138,496
Total deferred inflows of resources	<u>21 943 463</u>	<u>1 110 662</u>	<u>3,223 161</u>	<u>1 508 580</u>	<u>27 785,866</u>
FUND BALANCES (DEFICIT)					
Nonspendable					
Inventories and prepaid items	52 421			3 286	55 707
Advances to other funds	71 450		-		71 450
Restricted					
Debt service	-	794 299		-	794 299
Utility improvements	-	-		2 649 144	2 649 144
Development	-		-	11 515 336	11 515 336
TIF Districts	-	-	9 400 464		9 400 464
Grants and Donations				250 914	250 914
Opioid Settlement				73 238	73 238
Health services	-	-		184 821	184 821
Library services	-	-		522 731	522 731
Solid waste	-	-		421 841	421 841
Recreational services	-	-		79 298	79 298
Tourist commission				394 123	394 123
Assigned					
Purchases on order	156 101		-		156 101
Capital projects	-	-		4 752 371	4 752 371
Unassigned (deficit)	11 089 844		(1 522 684)	(55 655)	9 511 505
Total fund balances (deficit)	<u>11 369 816</u>	<u>794 299</u>	<u>7 877 780</u>	<u>20 791 448</u>	<u>40 833 343</u>
TOTAL LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES (DEFICIT)	<u>\$ 34 871 932</u>	<u>\$ 1 904 961</u>	<u>\$ 16 074 595</u>	<u>\$ 29 671 225</u>	<u>\$ 82 522 713</u>

See accompanying Notes to Financial Statements

**CITY OF FRANKLIN, WISCONSIN
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
DECEMBER 31, 2022**

Fund balances - total governmental funds	\$ 40,833,343
Amounts reported for governmental activities in the statement of net position are different because	
Certain assets used in government activities are not financial resources and are therefore are not reported in the funds	
Capital assets, net of depreciation	153,442,556
Restricted pension assets	10,959,949
Some receivables that are not currently available are reported as deferred inflows of resources in the fund financial statements but are recognized as revenues when earned in the government-wide statements	
Unavailable revenue	145,242
Deferred outflows and inflows of resources related to pensions and OPEB are applicable to future periods and, therefore, are not reported in fund statements	
Deferred outflows - pensions	19,755,264
Deferred outflows - OPEB	1,640,432
Deferred inflows - pensions	(24,588,235)
Deferred inflows - OPEB	(1,165,909)
Internal Service Fund net position	3,277,911
Long-term liabilities applicable to the City's governmental activities are not due and payable in the current period, and accordingly, are not reported as fund liabilities. Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due	
General obligation debt	(50,595,000)
OPEB liability	(810,655)
Compensated absences	(1,929,757)
Unamortized debt premiums	(632,200)
Accrued Interest	(411,930)
Net position of governmental activities	<u>\$ 149,921,011</u>

See accompanying Notes to Financial Statements

CITY OF FRANKLIN, WISCONSIN
STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN
FUND BALANCES – GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2022

	<u>General</u>	<u>Debt Service</u>	<u>TIF Districts</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
REVENUE					
Taxes	\$ 20,595,374	\$ 1,100,000	\$ 5,043,205	\$ 1,720,184	\$ 28,458,763
Intergovernmental revenue	1,762,854	-	576,668	2,018,296	4,357,818
Licenses and permits	1,482,305	-	-	40,814	1,523,119
Fines, forfeitures and penalties	413,096	-	-	-	413,096
Public charges for services	2,636,874	-	-	4,246,677	6,883,551
Special assessments	-	2,118	-	2,643,029	2,645,147
Intergovernmental charges for services	285,631	-	-	-	285,631
Investment earnings	362,900	7,479	137,496	302,772	810,647
Miscellaneous revenue	157,768	-	7,648,888	299,702	8,106,358
Total revenue	<u>27,696,802</u>	<u>1,109,597</u>	<u>13,406,257</u>	<u>11,271,474</u>	<u>53,484,130</u>
EXPENDITURES					
Current					
General government	3,201,398	-	115,121	7,410	3,323,929
Public safety	18,214,238	-	-	121,038	18,335,276
Public works	4,200,606	-	642,402	2,134,669	6,977,677
Health and human services	701,298	-	-	516,772	1,218,070
Culture, recreation and education	307,811	-	-	1,663,548	1,971,359
Conservation and development	512,606	-	3,236,416	162,579	3,911,601
Capital outlay	16	-	3,538,049	6,330,626	9,868,691
Debt service					
Principal	-	970,000	1,855,000	-	2,825,000
Interest	-	140,556	1,199,599	-	1,340,155
Total expenditures	<u>27,137,973</u>	<u>1,110,556</u>	<u>10,586,587</u>	<u>10,936,642</u>	<u>49,771,758</u>
Excess (deficiency) of revenue over expenditures	<u>558,829</u>	<u>(959)</u>	<u>2,819,670</u>	<u>334,832</u>	<u>3,712,372</u>
OTHER FINANCING SOURCES (USES)					
Sale of capital assets	6,750	-	-	24,583	31,333
Transfers in	952,207	288,578	-	42,000	1,282,785
Transfers out	(24,000)	-	-	(306,578)	(330,578)
Total other financing sources and uses	<u>934,957</u>	<u>288,578</u>	<u>-</u>	<u>(239,995)</u>	<u>983,540</u>
Net change in fund balances	1,493,786	287,619	2,819,670	94,837	4,695,912
Fund balances (deficit) - beginning	<u>9,876,030</u>	<u>506,680</u>	<u>5,058,110</u>	<u>20,696,611</u>	<u>36,137,431</u>
Fund balances (deficit) - ending	<u>\$ 11,369,816</u>	<u>\$ 794,299</u>	<u>\$ 7,877,780</u>	<u>\$ 20,791,448</u>	<u>\$ 40,833,343</u>

See accompanying Notes to Financial Statements

**CITY OF FRANKLIN, WISCONSIN
RECONCILIATION OF THE STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN
FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2022**

Net change in fund balances - total governmental funds	\$ 4,695,912
Amounts reported for governmental activities in the statement of activities are different because	
Governmental funds report capital outlays as expenditures	
However in the statement of activities, the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense or losses when disposed of	
Capital outlays	9,868,691
Capital outlay contributed to business-type units	(117,603)
Items capitalized from non-outlay accounts	33,709
Depreciation	(4,293,535)
Net book value of assets disposed	(8,436)
Contributed capital assets are reported as revenues in the statement of activities	363,831
The issuance of long-term debt (e g notes, leases) provides current financial resources to governmental funds, while the repayment of the principal on long-term debt consumes current financial resources of government funds Neither transaction, however, has any effect on net position	
Principal paid on long-term debt	2,825,000
Government funds report the effects of premiums, discounts and refunding losses when the debt is first issued, whereas these amounts are deferred and amortized in the statement of activities This amount is the net effect of the differences in the treatment of these items	
	107,355
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore, are not reported as expenditures in the government funds	
Compensated absences	236,176
Accrued interest payable	16,722
Pension activity	2,539,972
OPEB activity	243,951
Revenue in the governmental funds that provides current financial resources but has been previously reported as revenue in the statement of activities	
Unavailable revenues	(3,427,087)
Internal service fund change in net position	80,278
Net change in net position of governmental activities	\$ 13,164,936

See accompanying Notes to Financial Statements

CITY OF FRANKLIN, WISCONSIN
GENERAL FUND – STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN
FUND BALANCES – BUDGET AND ACTUAL (ON A BUDGETARY BASIS)
YEAR ENDED DECEMBER 31, 2022

	<u>Budgeted Amount</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget - Favorable (Unfavorable)
REVENUE				
Taxes	\$ 20,558,400	\$ 20,558,400	\$ 20,595,374	\$ 36,974
Intergovernmental revenue	1,758,500	1,758,500	1,762,854	4,354
Licenses and permits	1,202,275	1,202,275	1,482,305	280,030
Fines, forfeitures and penalties	450,000	450,000	413,096	(36,904)
Public charges for services	2,503,750	2,503,760	2,636,874	133,114
Intergovernmental charges for services	261,200	261,200	285,631	24,431
Investment earnings (loss)	196,138	196,138	362,900	166,762
Miscellaneous revenue	219,866	219,866	157,768	(62,098)
Total revenue	<u>27,150,129</u>	<u>27,150,139</u>	<u>27,696,802</u>	<u>546,663</u>
EXPENDITURES				
Current				
General government	5,630,979	5,673,303	3,201,398	2,471,905
Public safety	18,966,374	19,011,582	18,214,238	797,344
Public works	4,270,593	4,351,229	4,200,606	150,623
Health and human services	751,686	751,686	701,298	50,388
Culture and recreation	451,849	457,182	307,811	149,371
Conservation and development	618,248	624,159	512,606	111,553
Capital Outlay	-	-	16	(16)
Total expenditures	<u>30,689,729</u>	<u>30,869,141</u>	<u>27,137,973</u>	<u>3,731,168</u>
Excess (deficiency) of revenue over (under) expenditures	(3,539,600)	(3,719,002)	558,829	4,277,831
OTHER FINANCING SOURCES (USES)				
Sale of capital assets	-	-	6,750	6,750
Transfers in	1,063,600	1,063,600	952,207	(111,393)
Transfers out	(24,000)	(24,000)	(24,000)	-
Net change in fund balance	<u>(2,500,000)</u>	<u>(2,679,402)</u>	<u>1,493,786</u>	<u>4,173,188</u>
Fund Balances - beginning	<u>9,876,030</u>	<u>9,876,030</u>	<u>9,876,030</u>	<u>-</u>
Fund Balances - ending	<u>\$ 7,376,030</u>	<u>\$ 7,196,628</u>	<u>\$ 11,369,816</u>	<u>\$ 4,173,188</u>
Outstanding encumbrances at December 31, 2022			<u>\$ 156,101</u>	

See accompanying Notes to Financial Statements

CITY OF FRANKLIN, WISCONSIN
STATEMENT OF NET POSITION – PROPRIETARY FUNDS
DECEMBER 31, 2022

	<u>Business-Type Activities - Enterprise Funds</u>			<u>Governmental</u>
	<u>Water</u>	<u>Sanitary</u>	<u>Totals</u>	<u>Activities -</u> <u>Internal</u> <u>Service Funds</u>
	<u>Utility</u>	<u>Sewer</u>		
ASSETS				
Current assets				
Cash and investments	\$ 4,280,813	\$ 3,190,026	\$ 7,470,839	\$ 3,490,774
Receivables				
Accounts receivable	1,418,228	1,205,070	2,623,298	324
Leases receivable	42,714	-	42,714	-
Due from other governments	-	1,371,802	1,371,802	-
Total current assets	<u>5,741,755</u>	<u>5,766,898</u>	<u>11,508,653</u>	<u>3,491,098</u>
Noncurrent assets				
Restricted cash and investments	-	482,900	482,900	-
Restricted pension asset	554,688	565,930	1,120,618	-
Leases receivable	1,504,312	-	1,504,312	-
Due from other governments	-	12,262,757	12,262,757	-
Capital assets				
Land	162,885	725,594	888,479	-
Buildings and improvements	3,414,033	3,325,768	6,739,801	-
Improvements other than buildings	65,478,069	85,417,761	150,895,830	-
Machinery and equipment	4,666,963	1,179,626	5,846,589	-
Construction in progress	2,320,826	6,915,791	9,236,617	-
Less accumulated depreciation	<u>(25,213,640)</u>	<u>(31,020,778)</u>	<u>(56,234,418)</u>	<u>-</u>
Total capital assets (net of accumulated depreciation)	<u>50,829,136</u>	<u>66,543,762</u>	<u>117,372,898</u>	<u>-</u>
Total noncurrent assets	<u>52,888,136</u>	<u>79,855,349</u>	<u>132,743,485</u>	<u>-</u>
Total assets	<u>58,629,891</u>	<u>85,622,247</u>	<u>144,252,138</u>	<u>3,491,098</u>
DEFERRED OUTFLOWS OF RESOURCES				
Pension-related	453,179	469,787	922,966	-
OPEB-related	41,053	41,053	82,106	-
Total deferred outflows of resources	<u>494,232</u>	<u>510,840</u>	<u>1,005,072</u>	<u>-</u>

Continued

See accompanying Notes to Financial Statements

**CITY OF FRANKLIN, WISCONSIN
STATEMENT OF NET POSITION – PROPRIETARY FUNDS
DECEMBER 31, 2022**

	<u>Business-Type Activities - Enterprise Funds</u>			Governmental
	<u>Water Utility</u>	<u>Sanitary Sewer</u>	<u>Totals</u>	<u>Activities - Internal Service Funds</u>
LIABILITIES				
Current liabilities				
Accounts payable	\$ 839,369	\$ 1 328 562	\$ 2 167,931	\$ 3,187
Accrued liabilities	689	17 012	17 701	210,000
Accrued interest payable	10 829	61,695	72 524	-
Current portion of accrued compensated absences	31 117	31 117	62,234	-
Current portion of long-term advances	18 200	-	18,200	-
Current portion of long-term obligations	60,000	1 471,802	1 531,802	-
Total current liabilities	<u>960,204</u>	<u>2 910,188</u>	<u>3,870 392</u>	<u>213,187</u>
Noncurrent liabilities				
Net OPEB liability	18 920	18 920	37 840	-
Accrued compensated absences	53 535	53 535	107 070	-
Long-term advances	53,250	-	53 250	-
General obligation notes payable	774,518	15 176,528	15 951,046	-
Total noncurrent liabilities	<u>900 223</u>	<u>15 248 983</u>	<u>16,149 206</u>	<u>-</u>
Total liabilities	<u>1,860,427</u>	<u>18 159 171</u>	<u>20 019 598</u>	<u>213 187</u>
DEFERRED INFLOWS OF RESOURCES				
Pension-related	813 484	834 583	1,648 067	-
OPEB-related	28 789	28 789	57 578	-
Leases	1 502,128	-	1,502 128	-
Total deferred inflows of resources	<u>2 344,401</u>	<u>863,372</u>	<u>3 207 773</u>	<u>-</u>
NET POSITION				
Net Investment in capital assets	49 994,618	49 275,184	99 269 802	-
Restricted for				
Sewer equipment replacement		482,900	482,900	-
Pension asset	554,688	565 930	1 120,618	-
Intergovernmental agreement	-	13 634 559	13 634,559	-
Unrestricted	4 369 989	3,151 971	7 521 960	3,277 911
Total net position	<u>\$ 54,919 295</u>	<u>\$ 67,110 544</u>	<u>\$ 122,029,839</u>	<u>\$ 3,277 911</u>

Concluded

See accompanying Notes to Financial Statements

CITY OF FRANKLIN, WISCONSIN
STATEMENT OF CHANGES IN NET POSITION – PROPRIETARY FUNDS
YEAR ENDED DECEMBER 31, 2022

	<u>Business-Type Activities - Enterprise Funds</u>			Governmental Activities - Internal Service Funds
	<u>Water Utility</u>	<u>Sanitary Sewer</u>	<u>Totals</u>	
OPERATING REVENUE				
Metered sales				
Residential	\$ 3,127,485	\$ 2,504,902	\$ 5,632,387	\$ -
Multi-family	782,317	621,109	1,403,426	-
Commercial	663,076	676,558	1,339,634	-
Irrigation	145,548	-	145,548	-
Industrial	399,184	408,877	808,061	-
Public authority	209,425	154,940	364,365	-
Total metered sales	<u>5,327,035</u>	<u>4,366,386</u>	<u>9,693,421</u>	-
Group health & dental charges	-	-	-	3,034,856
Unmetered sales	36,072	1,590	37,662	-
Public fire protection service	555,304	-	555,304	-
Private fire protection service	131,227	-	131,227	-
Forfeited discounts, penalties and other	36,698	27,205	63,903	-
Total operating revenue	<u>6,086,336</u>	<u>4,395,181</u>	<u>10,481,517</u>	<u>3,034,856</u>
OPERATING EXPENSES				
Cost of sales and services	3,893,686	2,713,873	6,607,559	2,992,465
Depreciation and amortization	1,380,217	2,238,673	3,618,890	-
Administration	376,390	991,727	1,368,117	-
Total operating expenses	<u>5,650,293</u>	<u>5,944,273</u>	<u>11,594,566</u>	<u>2,992,465</u>
Operating income (loss)	<u>436,043</u>	<u>(1,549,092)</u>	<u>(1,113,049)</u>	<u>42,391</u>
NONOPERATING REVENUE (EXPENSES)				
Investment earnings (loss)	88,358	406,950	495,308	37,887
Sundry	112,038	-	112,038	-
Sale of capital assets	-	-	-	-
Interest expense	(29,398)	(395,121)	(424,519)	-
Total non-operating revenue (expenses)	<u>170,998</u>	<u>11,829</u>	<u>182,827</u>	<u>37,887</u>
Income (loss) before capital contributions and transfers	607,041	(1,537,263)	(930,222)	80,278
Capital contributions - Developers	707,340	125,494	832,834	-
Capital contributions - Governmental Activities	117,603	-	117,603	-
Transfers out	(949,526)	(2,681)	(952,207)	-
Change in net position	<u>482,458</u>	<u>(1,414,450)</u>	<u>(931,992)</u>	<u>80,278</u>
Net position - beginning	<u>54,436,837</u>	<u>68,524,994</u>	<u>122,961,831</u>	<u>3,197,633</u>
Net position - ending	<u>\$ 54,919,295</u>	<u>\$ 67,110,544</u>	<u>\$ 122,029,839</u>	<u>\$ 3,277,911</u>

See accompanying Notes to Financial Statements

CITY OF FRANKLIN, WISCONSIN
STATEMENT OF CASH FLOWS – PROPRIETARY FUNDS
YEAR ENDED DECEMBER 31, 2022

	<u>Business-Type Activities - Enterprise Funds</u>			<u>Governmental Activities - Internal Service Funds</u>
	<u>Water Utility</u>	<u>Sanitary Sewer</u>	<u>Totals</u>	
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers and users	\$ 6,165,171	\$ 4,344,657	\$ 10,509,828	\$ 3,034,532
Payments to suppliers	(3,915,515)	(3,329,886)	(7,245,401)	(3,097,323)
Payments to employees	(339,236)	(418,575)	(757,811)	-
Payments for interfund services used	(122,450)	(122,450)	(244,900)	-
Net cash flows provided by (used in) operating activities	<u>1,787,970</u>	<u>473,746</u>	<u>2,261,716</u>	<u>(62,791)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfer out - paid for tax equivalent	<u>(949,526)</u>	<u>(2,681)</u>	<u>(952,207)</u>	<u>-</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Payments on capital debt	(60,000)	(1,446,416)	(1,506,416)	-
Payments from other governments	-	1,338,840	1,338,840	-
Payment of advances from other funds	(18,250)	-	(18,250)	-
Interest on capital debt	(28,509)	(395,121)	(423,630)	-
Acquisition of capital assets	(131,297)	(1,590,173)	(1,721,470)	-
Net cash provided (used) by capital and related financing activities	<u>(238,056)</u>	<u>(2,092,870)</u>	<u>(2,330,926)</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Investment earnings	<u>88,358</u>	<u>406,950</u>	<u>495,308</u>	<u>37,887</u>
Net increase (decrease) in cash and cash equivalents	688,746	(1,214,855)	(526,109)	(24,904)
Cash and cash equivalents - Beginning	<u>3,592,067</u>	<u>4,887,781</u>	<u>8,479,848</u>	<u>3,515,678</u>
Cash and cash equivalents - Ending	<u>\$ 4,280,813</u>	<u>\$ 3,672,926</u>	<u>\$ 7,953,739</u>	<u>\$ 3,490,774</u>
Cash and Investments - Unrestricted	\$ 4,280,813	\$ 3,190,026	\$ 7,470,839	\$ 3,490,774
Cash and Investments - Restricted	-	482,900	482,900	-
	<u>\$ 4,280,813</u>	<u>\$ 3,672,926</u>	<u>\$ 7,953,739</u>	<u>\$ 3,490,774</u>

Continued

See accompanying Notes to Financial Statements

CITY OF FRANKLIN, WISCONSIN
STATEMENT OF CASH FLOWS – PROPRIETARY FUNDS
YEAR ENDED DECEMBER 31, 2022

	<u>Business-Type Activities - Enterprise Funds</u>			Governmental
	<u>Water Utility</u>	<u>Sanitary Sewer</u>	<u>Totals</u>	<u>Activities - Internal Service Funds</u>
Reconciliation of operating income (loss) to net cash provided by operating activities				
Operating income (loss)	\$ 436,043	\$ (1,549,092)	\$ (1,113,049)	\$ 42,391
Adjustments to reconcile operating income (loss) to net cash flows provided by operating activities				
Depreciation	1,380,217	2,238,673	3,618,890	-
Depreciation allocated to other funds	13,231	(13,231)	-	-
Nonoperating revenues	112,038	-	112,038	-
(Increase) decrease in assets and deferred outflows of resources				
Accounts receivable	11,695	(50,524)	(38,829)	(324)
Taxes receivable	-	-	-	-
Lease receivable	38,855	-	38,855	-
Pension assets	(409,150)	(412,357)	(821,507)	-
Deferred outflows - pensions	(113,228)	(121,414)	(234,642)	-
Deferred outflows - OPEBs	(35,048)	(35,048)	(70,096)	-
Increase (decrease) in liabilities and deferred inflows of resources				
Accounts payable	73,563	43,323	116,886	(3,058)
Accrued liabilities	3,759	4,704	8,463	(101,800)
OPEB obligations	54,740	54,740	109,480	-
Deferred inflows - leases	(83,753)	-	(83,753)	-
Deferred inflows - pensions	330,850	339,814	670,664	-
Deferred inflows - OPEBs	(25,842)	(25,842)	(51,684)	-
Total adjustments	<u>1,351,927</u>	<u>2,022,838</u>	<u>3,374,765</u>	<u>(105,182)</u>
Net cash flows provided by (used in) operating activities	<u>\$ 1,787,970</u>	<u>\$ 473,746</u>	<u>\$ 2,261,716</u>	<u>\$ (62,791)</u>
Noncash Capital Activities				
Capital assets included in year-end accounts payable	\$ -	\$ 620,248	\$ 620,248	\$ -
Cost of Utility plant installed and/or financed by external parties or the City	\$ 824,943	\$ 125,494	\$ 950,437	\$ -

Concluded

See accompanying Notes to Financial Statements

**CITY OF FRANKLIN, WISCONSIN
STATEMENT OF FIDUCIARY NET POSITION
DECEMBER 31, 2022**

	Employee Benefit Trust Funds	Tax Collection Custodial Fund
ASSETS		
Cash	\$ 350,354	\$ 31,103,341
Investments		
Fixed Income securities	5,636,278	6,111,356
Domestic equities	10,687,064	-
International equities	1,507,029	-
Total Cash & Investments	18,180,725	37,214,697
Accounts receivable	1,399	-
Taxes receivable	-	40,159,103
Total assets	\$ 18,182,124	\$ 77,373,800
LIABILITIES		
Accounts payable	\$ 60,000	\$ 66,564
Due to other governments	-	37,148,133
Total liabilities	60,000	37,214,697
DEFERRED INFLOWS OF RESOURCES		
Taxes levied for subsequent year's budget	-	40,159,103
NET POSITION		
Restricted for pensions	10,590,800	-
Restricted for OPEB	7,531,324	-
Total net position	\$ 18,122,124	\$ -

See accompanying Notes to Financial Statements

**CITY OF FRANKLIN, WISCONSIN
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
YEAR ENDED DECEMBER 31, 2022**

	Employee Benefit Trust Funds	Tax Collection Custodial Fund
ADDITIONS		
Tax collections	\$ -	\$ 74,171,302
Contributions		
City of Franklin	369,125	-
Retirees	178,420	-
Net investment earnings (loss)	(3,320,779)	-
Total additions	(2,773,234)	-
DEDUCTIONS		
Tax distributions	-	74,171,302
Incurred claims	1,084,026	-
Prescription drug claims	111,623	-
Claims fees	67,030	-
Stop loss premiums less claims received	103,153	-
Total deductions	1,365,832	-
Change in net position	(4,139,066)	-
Net Position Beginning of year	22,261,190	-
Net Position End of year	\$ 18,122,124	\$ -

See accompanying Notes to Financial Statements

**CITY OF FRANKLIN, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The accompanying summary of the City of Franklin's (the City) more significant accounting policies is presented to assist the reader in interpreting the financial statements and other data in this report. These policies, as presented, should be reviewed as an integral part of the accompanying financial statements. The accounting policies of the City conform to accounting principles generally accepted in the United States of America as applicable to governmental units. A summary of the significant accounting policies follows:

A. REPORTING ENTITY

This report includes all of the funds of the City of Franklin. The reporting entity for the City consists of the primary government and its component units. Component units are legally separate organizations for which the primary government are financially accountable or other organizations for which the nature and significance of their relationship with the primary government are such that their exclusion would cause the reporting entity's financial statement to be misleading. The primary government is financially accountable if (1) it appoints a voting majority of the organization's governing body and it is able to impose its will on that organization, (2) it appoints a voting majority of the organization's governing body and there is a potential for the organization to provide specific financial benefits to or burdens on the primary government, (3) the organization is fiscally dependent on and there is a potential for the organization to provide specific financial benefits to or burdens on the primary government. Certain legally separate, tax exempt organization should be reported as a component unit if all of the following criteria are met (1) the economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the primary government, its component units, or its constituents, (2) the primary government is entitled to, or has the ability to otherwise access, a majority of the economic resources received or held by the separate organization, (3) the economic resources received or held by an individual organization that the specific primary government, or its component units, is entitled to, or has the ability to otherwise access, are significant to that primary government.

Component units are reported using one of two methods: discrete presentation or blending. Generally, component units should be discretely presented in a separate column in the financial statements. A component unit should be reported as part of the primary government using the blending method if it meets and one of the following criteria: (1) the primary government and the component unit have substantively the same governing body and a financial benefit or burden relationship exists, (2) the primary government and the component unit have substantively the same governing body and management of the primary government has operations responsibility for the component unit, (3) the component unit serves of benefits, exclusively or almost exclusively, the primary government rather than its citizens, or (4) the total debt of the component unit will be paid entirely or almost entirely from resources of the primary government. The City has not identified any component units required to be discretely presented.

**CITY OF FRANKLIN, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Blended Component Unit

The Community Development Authority (Authority) was created by the City in 1992 to serve as a financing vehicle for certain Tax Incremental Districts (TID) development within the City. That District was closed in 2021. The Authority is governed by a seven-member board appointed by the Mayor and confirmed by the Common Council. Although it is legally separate from the City, the Authority is reported as if it were part of the primary government because its sole purpose is to finance and manage certain TID development projects for the benefit of the City. The Authority had no financial transactions during 2022, nor does the Authority own any assets or liable for any debt. Therefore, no financial statements are presented in this report. The Authority does not issue separate financial statements.

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

Government-Wide Financial Statements

The statement of net position and statement of activities display information about the reporting government as a whole. They include all funds of the reporting entity except for fiduciary funds. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenue and other non-exchange revenue. Business-type activities are financed in whole or in part by fees charged to external parties for goods and services provided.

The statement of activities demonstrates the degree that direct expenses of a given segment or function are offset by program revenue. Direct expenses are those that are clearly identifiable with a specific function or segment. The City does not allocate all indirect expenses to functions in the statement of activities. Program revenue includes 1) charges to customers or applicants, who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not included among program revenue are reported as general revenue. Internally dedicated resources are reported as general revenue rather than as program revenue.

Fund Financial Statements

Financial statements of the reporting entity are organized into funds with a fund considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, deferred outflows of resources, liabilities, deferred inflows of resources, net position/fund equity, revenue and expenditures/expenses. Funds are organized as major funds or nonmajor funds within the governmental and enterprise fund statements. An emphasis is placed on major funds within the governmental and enterprise categories.

**CITY OF FRANKLIN, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (continued)

Fund Financial Statements (continued)

A fund is considered major if it is the primary operating fund of the City or meets the following criteria

- a Total assets and deferred outflows of resources, liabilities and deferred inflows of resources, revenue, or expenditures/expenses of that individual governmental or enterprise fund are at least 10% of the corresponding total for all funds of that category or type
- b The same element of the individual governmental fund or enterprise fund that met the 10% test is at least 5% of the corresponding total for all governmental and enterprise funds combined
- c In addition, any other governmental or enterprise fund that the City believes is important to financial statement users may be reported as a major fund

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds with the latter being excluded from government-wide financial statements Major individual government funds and major individual enterprise funds are reported as separate columns in the fund financial statements

Major Governmental Funds

General Fund – accounts for the City's primary operating activities It is used to account for all financial resources except those required to be accounted for in another fund

Debt Service Fund – accounts for resource accumulation from taxes, special assessments and other revenue along with payments made for principal and interest on long-term debt other than enterprise fund debt

TIF Districts Fund – accounts for resource accumulation from tax increments and other revenue of the TID along with payments made for capital outlay, other expenditures, principal and interest on long-term debt obligations of the TIDs Each TID is a sub fund of the TID Fund

Major Enterprise Funds

Enterprise funds are used to account for operations (a) that are financed and operated in a manner similar to private business - where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges, or (b) where the governing body has decided that periodic determination of revenue earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes

**CITY OF FRANKLIN, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (continued)

Major Enterprise Funds (continued)

Water Utility Fund – accounts for operations of providing water services to City residents and bills for those services

Sanitary Sewer Fund – accounts for the operations of providing sanitary sewer services for City residents and bills for those services

In addition the City reports

Nonmajor Governmental Funds

Special Revenue Funds – account for the proceeds of specific revenue sources (other than major capital projects) that are legally or policy restricted to expenditures for specified purposes. The funds include Library Operating, Library Auxiliary, Solid Waste Collection, St Martin's Fair, Donation, Civic Celebrations, Tourism Commission, Opioid Settlement, and Grant

Capital Projects Funds – account for resources accumulated to be used for the purchase of equipment, street replacement, acquisition of land and the construction of capital improvement projects. The funds include Capital Outlay, Equipment Replacement, Capital Improvement, Street Improvement, Utility Improvement and Development

Other Fund Types

Internal Service Fund – accounts for the payment by the City for active employees of group health and dental charges for services and stop loss insurance charges and the billing of departments or agencies of the City on a cost-reimbursement basis for the services received

Custodial Funds – used to account for and report assets controlled by the City that are held for the benefit of other governmental entities. The City reports one custodial fund for tax collections

Employee Benefit Trust Funds – used to account for and report resources that are required to be held in trust for the members and beneficiaries of defined benefit plans and other post-employment benefit plans

**CITY OF FRANKLIN, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND FINANCIAL STATEMENT PRESENTATION

Government-Wide Financial Statements

The government-wide statement of net position and statement of activities are reported using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis of accounting, revenue is recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenue, expenses, gains, losses, assets, deferred inflows, liabilities and deferred outflows resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Property taxes are recognized as revenue in the year that they are levied for.

Taxes receivable for the following year are recorded as receivables and deferred inflows or resources. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider are met. Special assessments are recorded as revenue when earned. Receivables are recorded as revenue when services are performed.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the City's Water Utility and Sanitary Sewer fund and various other functions of the government. Elimination of these charges would distort the direct costs and program revenue reported for the various functions concerned.

Fund Financial Statements

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenue is recorded when it is both measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For this purpose, the City considers grant revenue to be available if they are collected within 150 days of the end of the current fiscal period and all other revenue to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are recorded when the related fund liability is incurred, except for unmatured interest on long-term debt, claims, judgments, compensated absences and pension expenditures which are recorded as a fund liability when due and payable.

Property taxes are recorded the year levied as receivable and deferred inflow and are recognized as revenue the next year when services financed by the levy are provided.

Intergovernmental aids and grants are recognized as revenue in the period the City is entitled to the resources and the amounts are available. Amounts owed to the City are recorded as receivables. Amounts not available or received prior to the entitlement period are recorded as deferred inflow of resources.

**CITY OF FRANKLIN, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

**C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND FINANCIAL STATEMENT PRESENTATION
(continued)**

Fund Financial Statements (continued)

Special assessments levied for benefits to property owners for installation of sanitary sewers, water mains, roads, and other improvements are recorded as revenue when they become measurable and available. Annual installments due in future years are recorded as receivables and deferred inflows of resources.

Revenue susceptible to accrual includes property taxes, room taxes, public charges for services and interest. Other general revenue such as permits, fines and forfeitures, licenses and miscellaneous revenue are recognized when received or when measurable and available under the criteria mentioned above.

Deferred inflows of resources are reported on the governmental funds balance sheet. Deferred inflows arise from taxes levied in the current year that are for subsequent year's operations. For governmental fund financial statements, unearned revenues arise where potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. Unearned revenue arises when resources are received before the City has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met and when the City has a legal claim to the resources, the liability is removed from the balance sheet and revenue is recognized.

Proprietary and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting.

Proprietary funds distinguish operating revenue and expenses from nonoperating items. Operating revenue and expenses generally result from providing services and delivering goods in connection with the proprietary fund's principal operations. The principal operating revenue of the Water and Sanitary Sewer funds are charges to customers for sales and services provided. The rates billed in the Water Utility are approved by the Public Service Commission. Sanitary sewer charges are billed at rates established by City policy based on the charges received from the Milwaukee Metropolitan Sewerage District and local operation and maintenance expenses. The principal operating revenue of the internal service fund is charges to other funds for group health coverage.

Operating expenses for proprietary funds include the cost of sales and services, administration and depreciation on capital assets. Revenue and expenses not meeting this definition are reported as nonoperating revenue and expenses.

**CITY OF FRANKLIN, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

**C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND FINANCIAL STATEMENT PRESENTATION
(continued)**

All Financial Statements

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenue and expenditures/expenses during the reporting period. Actual results could vary from those estimates.

D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY

1. Cash and Investments

For purposes of the statement of cash flows, the City considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents.

The City of Franklin maintains two investment policies. The first covers all funds except fiduciary funds for retiree health purposes. The objective of this policy is to generate current income, consistent with safety and reasonable risk as defined under prudent person rules. As operating reserves, the quality, liquidity and maturity structure of the portfolio are most important. The investment policy:

- a Requires a minimum rating at time of purchase of Aa3 by either Moody's or Standard & Poor's
- b Limits an issuer to 10% or less and asset classes to 35% or less of the fair value of the portfolio with the exception of U S Government Treasury and Agency securities that have the full faith guarantee of the U S Government
- c Specifies a minimum amount of cash equivalents be maintained, an average life of the portfolio not exceeding 6 years and no individual issue with a maturity exceeding seven years at the date of purchase to limit interest rate risk
- d Limits investments highly sensitive to market changes through its duration and diversification policies to limit interest rate risk
- e Prohibits the investment in foreign owned securities
- f Limits derivative investments to those with a final maturity of seven years or less

**CITY OF FRANKLIN, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (continued)

1. Cash and Investments (continued)

In addition, the City's investment policy restricts allowable investments to investments that follow state statutes, section 66.0603, which limits investments to

- a Time deposits in any credit union, bank, savings bank, trust company or loan association authorized to transact business in the state and maturing in three years or less
- b The Local Government Investment Pool (LGIP)
- c Bonds or securities issued or guaranteed by the federal government
- d Bonds or securities of any county, city, drainage district, technical college district, village, town or school district of the State of Wisconsin. Also, bonds issued by a local exposition district, a local professional baseball park district, a local professional football stadium district, a cultural arts district, or by the University of Wisconsin Hospitals and Clinics Authority and the Wisconsin Aerospace Authority
- e Any security maturing in seven years or less and having the highest or second highest rating category assigned of a nationally recognized rating agency
- f Securities of an open-ended management investment company or investment trust subject to various conditions and investment options
- g Repurchase agreements with public depositories, with certain conditions

The second investment policy is for its fiduciary fund for retiree health purposes. The policy

- a Requires the investment to be in a section 115 trust for retiree health purposes
- b Requires compliance with the "prudent person" standard
- c Requires asset allocation policy that considers the liability stream of benefits, the relationship to current and projected assets, the historical performance of capital markets and the perception of future economic conditions
- d Primary investment objectives are safety, diversification and return
- e Allows investment in various asset classes
- f Limits investment in equities to no more than 75% of total assets to be invested
- g Limits investment in fixed income securities to no less than 25% of total assets to be invested

**CITY OF FRANKLIN, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (continued)

1. Cash and Investments (continued)

The City manages the various risks in its cash and investments as follows

- a Custodial credit risk – investments are held by a trustee or third party custodian
 - deposits in excess of FDIC insurance limits are maintained in the State LGIP or secured bank balances in amounts of at least 75% of the year-end cash balances
- b Credit risk – securities purchased need to have an AA or better investment rating
- c Concentration of credit risk – issuer or asset class not to exceed 10% of the market value of the portfolio with the exception of U S issued securities
- d Interest rate risk – managed by limiting the length of maturity of newly purchased investments and limits the average life of the portfolio to control risk

Investments are stated at fair value, which is the amount at which an investment could be exchanged in a current transaction between willing parties. Fair values are based on methods and inputs outlined in Note 3. No investments are reported at amortized cost.

Adjustments necessary to record investments at fair value are recorded in the operating statement as increases or decreases in investment income. Investment income on commingled investments of various City Funds is allocated based on average investment balances.

The Wisconsin Local Government Investment Pool (LGIP) is part of the State Investment Fund (SIF), and is managed by the State of Wisconsin Investment Board. The SIF is not registered with the Securities and Exchange Commission, but operates under the statutory authority of Wisconsin Chapter 25. The SIF reports the fair value of its underlying assets annually. Participants in the LGIP have the right to withdraw funds in total on one day's notice. At December 31, 2022, the fair value of the City's share of LGIP assets was substantially equal to the amount reported in these statements.

**CITY OF FRANKLIN, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (continued)

2. Receivables

Property taxes are levied in December on the assessed value as of the prior January 1. In addition to property taxes for the municipality, taxes are collected for and remitted to the state government, county government, three local school districts, technical college district and metropolitan sewerage district. Taxes for all other governmental units billed in the current year for the succeeding year are reflected as receivables and due to other taxing units on the accompanying fiduciary funds statement of fiduciary net position as the City's custodial funds. The Solid Waste fee is billed and collected along with property taxes.

Property tax calendar – 2022 tax roll

Lien date and levy date	December 2022
Tax bills mailed	December 2022
Payment in full, or	January 31, 2023
First installment due	January 31, 2023
Second installment due	March 31, 2023
Third installment due	May 31, 2023
Personal property taxes in full	January 31, 2023
Final tax settlement with County	August 20, 2023
Tax deed by County – 2022	
Delinquent real estate taxes	October 2025

Accounts receivable have been shown net of an allowance for uncollectible accounts. No provision for uncollectible accounts receivable has been made for enterprise funds because of their right by law to place delinquent bills on the tax roll.

During the course of operations, transactions occur between individual funds that may result in amounts owed between funds. Short-term interfund loans are reported as “due to and from other funds.” Long term interfund loans are reported as “advances from and to other funds.”

Interfund receivables and payables between funds within governmental activities are eliminated in the statement of net position. Any residual balances outstanding between the governmental activities and the business-type activities are reported in the government-wide financial statements as “internal balances.”

In the general fund financial statements, advances to other funds are offset equally by nonspendable fund balance which indicates that they do not constitute expendable available financial resources and, therefore, are not available for appropriation. Advances in all other governmental funds are classified in fund balance based on the availability of repayments for use.

**CITY OF FRANKLIN, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (continued)

3. Inventories, Supplies and Prepaid Items

Governmental fund inventory items, except fuel inventory, are charged to expenditures when purchased. The fuel inventory is recorded at cost on a first-in first-out basis using the consumption method of accounting. The cost of such inventories is recorded as expenditures/expenses when consumed rather than when purchased.

Proprietary fund materials and supplies are generally used for construction and for operation and maintenance work. They are not for sale. Material and supplies on hand at year-end are immaterial.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

4. Restricted Assets

Mandatory segregation of assets are presented as restricted assets. Such segregation is required by agreements with external parties. Current liabilities payable from restricted assets are so classified. The net pension asset has been reported as restricted. This asset represents funds held by the Plan Trust, which can only be used to settle Plan obligations. The excess of restricted assets over current liabilities is shown as restricted net position.

5. Pensions and Benefit Obligations

For purposes of measuring the net pension liabilities (assets), deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net positions of the Wisconsin Retirement System (WRS) and the City of Franklin Defined Benefit Retirement Income Plan (DPW) and additions to/deductions from WRS and DPW's fiduciary net position have been determined on the same basis as they are reported by WRS and DPW. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**CITY OF FRANKLIN, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (continued)

5. Pensions and Benefit Obligations (continued)

For the purposes of measuring the net other post-employment benefit (OPEB) liability, deferred outflows of resources, and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the City of Franklin Post Employment Benefits Trust and additions to/deductions from the City of Franklin Post Employment Benefits Trust's fiduciary net position have been determined on the same basis as they are reported by the City of Franklin Post Employment Benefits Trust. For this purpose, the City of Franklin Post Employment Benefits Trust recognizes the benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value, except for money market investments and participating interest-earning investments contracts that have a maturity at the time of purchase of one year or less, which are reported at cost.

6. Capital Assets

Government-Wide Statements

Capital assets, which include property, plant and equipment, are reported in the government-wide financial statements. Capital assets are defined by the government as assets with an initial cost of more than \$5,000 for general capital assets and \$25,000 for infrastructure assets with estimated useful lives of two years or more. Capital assets are recorded at historical cost or estimated historical cost if actual amounts are not available. Donated capital assets are recorded at acquisition value at the date of donation. Additions to and replacements of capital assets of business-type activities are recorded at original cost, which includes material, labor, overhead.

The cost of renewals and betterments relating to retirement units is added to plant accounts. The cost of property replaces, retired, or otherwise disposed of, is deducted from plant accounts and, generally, together with removal costs less salvage value, is charged to the applicable function.

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the statement of activities, with accumulated depreciation reflected in the statement of net position. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of useful lives by asset type follows:

Buildings and improvements	5-50 Years
Machinery and equipment	2-30 Years
Water and sewer systems	20-100 Years
Infrastructure	20-90 Years

**CITY OF FRANKLIN, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (continued)

6. Capital Assets (continued)

Fund Financial Statements

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Capital assets used in proprietary fund operations are accounted for the same in the government-wide statements.

7. Deferred Inflows of Resources and Deferred Outflows of Resources

A deferred outflow of resources represents a consumption of net position/fund balance that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until that future time. A deferred inflow of resources represents an acquisition of net position/fund balance that applies to a future period and therefore will not be recognized as an inflow of resources (revenue) until that future time.

In governmental funds, property taxes receivable, special assessments, lease receivables, and interest revenue not yet due are not recognized as revenue in the current period. For the government-wide and proprietary fund type financial statements, special assessments and interest revenue are recognized as revenue in the current period. This leaves property tax receivable and leases receivables as a deferred inflow of resources in the statement of net position.

Certain items that affect the net pension asset(s)/liability(ies) are amortized over the period determined to be affected by the change. The balance at year-end of these items is reported as deferred outflows of resources or deferred inflows of resources section of the statement of net position.

8. Compensated Absences

Under terms of employment, employees may earn compensatory time and are granted sick leave, severance pay and vacations in varying amounts. Only benefits considered to be vested are disclosed in these statements. All vested compensatory time, severance pay and vacation pay are accrued when incurred in the government-wide, proprietary and fiduciary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured. For example a liability, as a result of employee resignations or retirements are payable with expendable available resources.

Payments for vested compensatory time, severance pay and vacation pay will be made at rates in effect when the benefits are used. Accumulated vested compensatory time, severance pay and vacation pay liabilities are determined on the basis of current salary rates and include salary related payments. Vacation and compensatory time are used on a first-in, first-out basis. Accordingly all accrued amounts are considered to be due within one year. Severance due within one year is estimated based on employee age and expected retirement.

**CITY OF FRANKLIN, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (continued)

9. Long-term Obligations/Conduit Debt

All long-term obligations to be repaid from governmental and business-type resources are reported as liabilities in the government-wide statements. The long-term obligations consist of notes and bonds payable and accrued compensated absences.

Long-term obligations for governmental funds are not reported as liabilities in the fund financial statements. The face value of debt (plus any premium) is reported as other financing sources and payments of principal and interest are reported as expenditures. The proprietary fund accounting is the same as it is in the government-wide statements.

For the government-wide statements and proprietary fund statements, bond premiums and discounts are amortized over the life of the issue using the interest rate method. The balance at year-end is shown as an increase or decrease in the liability section of the statement of net position.

The City has approved issuance of industrial development revenue bonds (IDRB) for the benefit of private business enterprises. IDRB's are secured by mortgages or revenue agreements on associated projects of the business enterprises. The IDRB's do not constitute indebtedness of the City. Accordingly, the bonds are not reported as liabilities in the financial statements. An IDRB originally issued with an aggregate principal amount of \$3,750,000 is outstanding with a balance of \$2,450,000 at December 31, 2022.

10. Claims and Judgments

Claims and judgments are recorded as liabilities if all the conditions of Governmental Accounting Standards Board pronouncements are met. Claims and judgments that would normally be liquidated with expendable available financial resources are recorded during the year as expenditures in the government funds. If they are not to be liquidated with expendable available financial resources, no liability is recognized in governmental fund financial statements. The related expenditure is recognized when the liability is liquidated. Claims and judgments are recorded in the government-wide statements and proprietary funds as expenses when the related liabilities are incurred.

**CITY OF FRANKLIN, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (continued)

11. Equity Classifications

Government-Wide Statements

Equity is classified as net position and displayed in three components

- a Net investment in capital assets – Consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt are also included in this component of net position.
- b Restricted net position – Consists of net position with constraints placed on their use either by 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or, 2) law through constitutional provisions or enabling legislation, and includes restricted assets reduced by liabilities related to those assets. Generally, a liability relates to restricted assets if the asset results from a resource flow that also results in the recognition of a liability or if the liability will be liquidated with the restricted assets reported.
- c Unrestricted net position – The net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted components of net position.

The net position section includes an adjustment for capital assets owned by the business-type activities column, but financed by the debt of the governmental activities column. The amount is a reduction of “net investment in capital assets”, and an increase in “unrestricted” net position, shown only in the total column. A reconciliation of this adjustment is as follows at year-end:

	Governmental Activities	Business-type Activities	Adjustment	Total
Net investment in capital assets	\$ 129,710,656	\$ 99,269,802	\$ (8,841,800)	\$ 220,138,658
Unrestricted	(18,126,001)	7,521,960	8,841,800	(1,762,241)
Total Net Position	<u>\$ 111,584,655</u>	<u>\$ 106,791,762</u>	<u>\$ -</u>	<u>\$ 218,376,417</u>

When both restricted and unrestricted resources are available for use, it is the City’s policy to use restricted resources first, then unrestricted resources, as they are needed.

**CITY OF FRANKLIN, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (continued)

11. Equity Classifications (continued)

Fund Statements

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The government itself can establish limitation on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the government's highest decision-making authority. The governing council is the highest level of decision-making authority for the government that can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation. The City does not report any committed fund balance.

Amounts in the assigned fund balance classification are intended to be used by the government for specific purposes but do not meet the criteria to be classified as committed. The governing council (Common Council) has by resolution authorized the Director of Finance & Treasurer to assign fund balance (Resolution 2014-7025). The Common Council may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget.

When committed, assigned and unassigned resources are available for use, it is the City's policy to use committed resources first, then assigned resources and then unassigned resources, as they are needed.

The City has adopted a fund balance policy (Res 2016-7216) for all governmental funds supported by tax levy as follows: the ratio of year-end fund balance to current year expenditures shall target a range between 20% and 30%. The amount of fund balance will be taken into consideration when establishing the following year's budget. At least 15% of the succeeding year expenditure budget shall be maintained for working capital. Any nonspendable fund balance of the general fund shall be excluded from the ratio.

**CITY OF FRANKLIN, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (continued)

12. Leases

As lessee, the City accounts for lease agreements by recognizing a lease liability and an intangible right-to-use lease asset based on the criteria dictated in Governmental Accounting Standards Board (GASB) Statement No 87 – *Leases*. At the commencement of a lease, the City determines if the agreement is a financed purchase or a right-to-use lease based on the criteria in GASB 87. The City then measures the lease liability at the present value of payments expected to be made during the lease term. During the lease term, the lease liability is reduced by the principal portion of lease payments made. The lease liabilities are reported with long-term obligations on the statement of net position.

An intangible right-to-use lease asset is initially measured as the amount of the lease liability adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. The intangible right-to-use lease asset is amortized on a straight-line basis over the term of the lease. The intangible right-to-use lease asset is reported with the City's capital assets in a stand-alone Leased Assets (Right to Use) category.

The City utilizes estimates and judgements to determine (1) the discount rate used to discount expected lease payments to present value, (2) lease term, and (3) lease payments.

The City uses the interest rate charged by the lessor as the discount rate when the lessor provides it. If the interest rate is not provided, the City uses its estimated incremental borrowing rate as the discount rate. The lease term includes the non-cancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the City is reasonably certain to exercise. The City accounts for lease and non-lease components separately when possible. In cases where the lease does not provide separate cost information for lease and non-lease components, the City treats the components as a single lease unit if it is impractical to estimate cost information. The City monitors changes in circumstances that would require re-measurement of the lease asset and liability.

The City is a lessor for communications site lease agreements and recognizes a lease receivable and deferred inflows of resources based on the criteria dictated in GASB 87. The City measures the lease receivable at the present value of payments expected to be received during the lease term. During the lease term, the lease receivable is reduced by the principal portion of lease payments received. Deferred inflows related to these leases are initially measured as the amount of the lease receivable adjusted for lease payments received at or before the lease commencement date. Lease revenue is recognized on a straight-line basis over the term of the lease.

**CITY OF FRANKLIN, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (continued)

12. Leases (continued)

The City has elected to recognize payments received for short-term leases with a lease term of 12 months or less as revenue as earned. The methodology previously described for discount rate, lease term, lease payments, lease and non-lease components and re-measurement of the lease receivable and deferred lease inflows applies to the City's lessor arrangements.

13. Adoption of New Accounting Standard

In June 2017, GASB issued Statement No. 87, *Leases*. This standard requires the recognition of certain lease assets, liabilities, and deferred inflows of resources or outflows of resources recognized based on the payment provisions of the contract. The standard establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this standard, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. The City adopted GASB Statement No. 87, *Leases*, effective January 1, 2022 and has applied the provisions of this standard to the beginning of the period of adoption.

NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. BUDGETARY INFORMATION

Budgetary information is derived from the annual operating budget and is presented using the same basis of accounting for each fund as described in Note 1 C with the exception of transfers from the General Fund to Special Revenue Funds and tax equivalent from the Water Utility. Actual (budgetary basis) expenditures presented reflect actual (GAAP) expenditures. Actual (budgetary basis) revenue presents the tax equivalent from the Water Utility as tax revenue while GAAP basis statements present this item as a transfer. The budgetary statements also report the amount of remaining balance of encumbrances that represent a future uses of financial resources. Encumbrances are not included as actual expenditures on the budgetary statements.

A budget has been adopted for the General, Debt Service, TID #3, TID #4, TID #5, TID #5, TID #6, TID #7, TID #8, Library Operating, Library Auxiliary, Solid Waste Collection, Civic Celebrations, St. Martin's Fair, Donations, Grant, Tourism Commission, Capital Outlay, Equipment Replacement, Capital Improvement, Street Improvement, Utility Improvement, Development, Sanitary Sewer and Water Utility funds. Budgets have not been formally adopted for other funds.

**CITY OF FRANKLIN, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (continued)

A. BUDGETARY INFORMATION (continued)

The budget amounts presented include any amendments made during the year. The City may authorize transfers of budget amounts within departments. Transfers between departments and changes to the overall budget must be approved by a two-thirds vote of the Common Council. Supplemental appropriations during the year were not significant. Appropriations lapse at the end of the year unless specifically carried over. Carryovers to the following year were not material. Budgets are adopted for personnel and non-personnel expenditures at the function level.

B. LIMITATIONS ON THE CITY'S TAX LEVY

Wisconsin law limits the City's future tax levies. Generally, the City is limited to its prior tax levy dollar amount (excluding TIF districts and debt service levy), increased by the greater of the percentage change in the City's equalized value due to new construction, or 0%. Changes in debt service from one year to the next are generally exempt from this limit within certain exceptions. The City is required to reduce its allowable levy by the estimated amount of fee revenue increase it collects for certain services, if those services were funded in 2013 by the property tax levy. Levies can be increased above the allowable limits if the amount is approved by referendum. The Solid Waste fee was enacted prior to this restriction.

NOTE 3 - DETAILED NOTES ON ALL FUNDS

A. CASH AND INVESTMENTS

The City maintains a cash and investment pool that is utilized by all funds. Each fund's portion of this pool is displayed on the statement of net position and balance sheet as cash and investments of the City. In addition, investments are separately held by several of the funds.

Deposits in each local and area bank are insured by the FDIC in the amount of \$250,000 for time and savings deposits and \$250,000 for demand deposits (interest-bearing and noninterest-bearing). In addition, if deposits are held in institutions outside of the state in which the government is located, insured amounts are further limited to a total of \$250,000 for the combined amount of all deposit accounts.

The City's bank accounts are also insured by the State of Wisconsin Deposit Guarantee Fund in the amount of \$400,000 per financial institution. However, although the fund had reserves available at December 31, 2022, the future availability of resources to cover the losses cannot be projected because provisions of the 1985 Wisconsin Act 35 provided that the amount in the fund will be used to repay public depositors for losses until the appropriation is exhausted at which time the fund is abolished. This coverage has not been considered in computing custodial credit risk.

**CITY OF FRANKLIN, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 3 - DETAILED NOTES ON ALL FUNDS (continued)

B. CASH AND INVESTMENTS (continued)

The City maintains a collateral arrangement with its main bank to provide collateralization in excess of deposits maintained at the bank. The collateral is maintained in the form of a letter of credit from the Federal Home Loan Bank of Cincinnati in the amount of \$30,000,000. The City maintains both Non-FDIC insured and collateralized balances with an investment manager that deposits funds with US Banks. The funds are held in accounts "As Agent for its Customers". The manager utilizes FDIC insurance, third-party insurance and Federal Home Loan Bank letters of credit as collateral for balances.

Cash and investments as shown on the December 31, 2022 statement of net position are subject to the following risks:

Financial Instruments	Carrying Value	Bank & Investment Balances	Associated Risks
Local Government Investment Pool	\$ 3,340,931	\$ 3,340,931	Credit, interest rate
Money market accounts	68,115,520	68,115,520	Custodial credit
Certificate of deposits	6,223,042	6,223,042	Custodial credit
U S Agencies	491,475	491,475	Custodial credit, interest rate, credit, and concentration of credit
Equity funds	12,194,093	12,194,093	Custodial credit
Fixed income funds	5,636,278	5,636,278	Credit and interest rate
Cash and demand deposits	33,280,117	18,179,321	Custodial credit
Petty cash	9,111	9,111	None
Total cash and investments	<u>\$ 129,290,567</u>	<u>\$ 114,189,771</u>	

Reconciliation to the financial statements is shown below:

Per statement of net position:

Primary Government

Unrestricted cash and investments \$ 73,412,245

Restricted cash and investments 482,900

Per statement of fiduciary net position - fiduciary funds:

Custodial fund 37,214,697

Employee Benefit Trusts Funds 18,180,725

\$ 129,290,567

Custodial Credit Risk For deposits - Custodial credit risk is the risk that in the event of a financial institution failure, the City's deposits may not be returned to the City. As of December 31, 2022, none of the City's total bank balances were uninsured and uncollateralized and therefore exposed to custodial credit risk.

**CITY OF FRANKLIN, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 3 - DETAILED NOTES ON ALL FUNDS (continued)

A. CASH AND INVESTMENTS (continued)

For Investments – Custodial credit risk is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities in the possession of an outside party. All of the City’s investments subject to custodial credit risk have a tri-party relationship with the investments held in the City’s name by a party independent of the party managing the investment.

Credit Risk Credit risk is the risk that an issuer or other counterparty will not fulfill its obligation. The City’s policy requires a minimum credit rating of Aa3 at time of purchase. The City’s fixed income investments subject to credit risk include agencies securities, corporate asset backed securities, corporate bonds, government repurchase agreements and money market funds and were rated by Moody’s Investor Service.

As of December 31, 2022, the ratings as of investments subject to credit risk were as follows:

Aaa	Aa	A	Bbb
\$ 2,336,515	\$ 207,204	\$ 1,426,993	\$ 1,811,398
Bb	B	< B	Not Rated
\$ 105,983	\$ 156,103	\$ 63,147	\$ 3,361,341

Concentration of Credit Risk Concentration of credit risk is the risk of loss attributed to a large investment position in a single issuer. As of the December 31, 2022, no issuer other than U.S. Treasury and Agency securities that have the full faith guarantee of the U.S. government had a position of greater than 5% of the portfolio.

Interest Rate Risk Interest rate risk is the risk that rising interest rates will have an adverse impact on the fair value of the investments in the portfolio. The longer the maturities in the portfolio, the greater the risk of loss is in portfolio value. The portfolio policy limits this risk by limiting the length of permitted investments and limits the purchase of investments highly sensitive to market changes.

As of December 31, 2022, the City’s investments exposed to interest rate risk were as follows:

Investment Type	Fair Value	Investment Maturity in Years			
		Less than 1	2 - 3	4 - 5	6 - 10
U.S. Agencies	\$ 491,475	\$ 491,475	\$ -	\$ -	\$ -
Fixed income funds	5,636,278	738,608	785,581	1,009,485	3,102,604
LGIP	3,340,931	3,340,931	-	-	-
	\$ 9,468,684	\$ 4,571,014	\$ 785,581	\$ 1,009,485	\$ 3,102,604

**CITY OF FRANKLIN, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 3 - DETAILED NOTES ON ALL FUNDS (continued)

A. CASH AND INVESTMENTS (continued)

The City categorizes its fair value measurements within the fair value hierarchy established by the generally accepted accounting principles in the United States of America. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets, Level 2 inputs are significant other observable inputs, Level 3 inputs are significant unobservable inputs.

The valuation method for recurring fair value measurements are as follows:

Market approach – prices or other information from market transactions involving identical or similar assets.

The following table summarizes the City's investments reported at fair value:

	As of December 31, 2022			
	Level 1	Level 2	Level 3	Total
U S Agencies	\$ -	\$ 491,475	\$ -	\$ 491,475
Equity funds	12,194,093	-	-	12,194,093
Fixed income funds	5,636,278	-	-	5,636,278
	\$ 17,830,371	\$ 491,475	\$ -	\$ 18,321,846

B. RECEIVABLES

Receivables consist of accounts, taxes, notes, interest, due from other governments and special assessments. Receivables are reported net of uncollectible amounts. The reserve for bad debts, principally for personal property taxes and ambulance revenue, was \$310,847 at December 31, 2022. Other than the special assessment receivables, all other receivables are expected to be collected within one year.

**CITY OF FRANKLIN, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 3 - DETAILED NOTES ON ALL FUNDS (continued)

B. RECEIVABLES (continued)

Governmental funds report unavailable or unearned revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Property taxes levied for the subsequent year are not earned and cannot be used to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of deferred inflows of resources resulting from unavailable revenue and unearned revenue were as follows:

	<u>Unavailable</u>	<u>Tax Levy/ Unearned</u>	<u>Total</u>
Governmental fund			
Subsequent year property taxes	\$ -	\$ 24,525,660	\$ 24,525,660
Charges for services on tax roll	-	1,612,836	1,612,836
Leases receivable	-	1,502,128	1,502,128
Special assessments not yet due	145,242	-	145,242
Total deferred inflows of resources for governmental funds	<u>\$ 145,242</u>	<u>\$ 27,640,624</u>	<u>\$ 27,785,866</u>

C. DUE FROM OTHER GOVERNMENTS

In 2011, the City entered into an intergovernmental cooperation agreement with another government for the construction and financing of the Ryan Creek Interceptor Sewer. The terms of this agreement include that the other government will reimburse the City for substantially all of the debt service costs resulting from the City taking on a State Clean Water Fund Loan. Those reimbursements started in 2015 and will continue over the life of the loan, ending in 2031. This is presented as due from other governments in the statement net position. Annual principal and interest payments to maturity received as part of this agreement are as follows:

Year Ending December 31	<u>Business-Type Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2023	\$ 1,371,802	\$ 318,796
2024	1,405,575	284,607
2025	1,440,181	249,575
2026	1,475,638	213,681
2027	1,511,968	176,904
2028-2031	6,429,395	321,395
Total	<u>\$ 13,634,559</u>	<u>\$ 1,564,958</u>

**CITY OF FRANKLIN, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 3 - DETAILED NOTES ON ALL FUNDS (continued)

D. RESTRICTED ASSETS

In accordance with the City's ordinance enacting a sewer user charge system and regulations of the Department of Natural Resources, the Sanitary Sewer Fund – an Enterprise Fund, incorporated an equipment replacement charge as a component of the rate structure to be used for significant mechanical equipment replacement as required by the Wisconsin Department of Natural Resources. Revenue generated from this charge is accumulated and used for replacement of certain equipment. The balance in this account at December 31, 2022 is \$482,900.

Restricted assets have been reported in connection with the net pension and OPEB asset balances since these balances must be used to fund employee benefits.

E. CAPITAL ASSETS

Governmental activities capital asset activity for the year ended December 31, 2022 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities				
Capital assets, not depreciated				
Land	\$ 27,285,649	\$ 1,548,982	\$ -	\$ 28,834,631
Construction in progress	3,112,082	5,202,192	685,834	7,628,440
Total assets, not depreciated	<u>30,397,731</u>	<u>6,751,174</u>	<u>685,834</u>	<u>36,463,071</u>
Capital assets, depreciated				
Buildings & improvements	29,085,101	846,832	23,326	29,908,607
Machinery & equipment	21,672,656	1,779,951	758,158	22,694,449
Infrastructure	131,261,624	1,456,505	373,900	132,344,229
Total assets depreciated	<u>182,019,381</u>	<u>4,083,288</u>	<u>1,155,384</u>	<u>184,947,285</u>
Less: Accumulated depreciation for				
Buildings & improvements	13,064,610	805,648	23,326	13,846,932
Machinery & equipment	13,207,812	1,224,014	749,722	13,682,104
Infrastructure	38,548,791	2,263,873	373,900	40,438,764
Total accumulated depreciation	<u>64,821,213</u>	<u>4,293,535</u>	<u>1,146,948</u>	<u>67,967,800</u>
Total depreciable assets net of accumulated depreciation	<u>117,198,168</u>	<u>(210,247)</u>	<u>8,436</u>	<u>116,979,485</u>
Governmental activities capital assets net accumulated depreciation	<u>\$ 147,595,899</u>	<u>\$ 6,540,927</u>	<u>\$ 694,270</u>	<u>\$ 153,442,556</u>

**CITY OF FRANKLIN, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 3 - DETAILED NOTES ON ALL FUNDS (continued)

E. CAPITAL ASSETS (continued)

Depreciation expense was charged to functions as follows

Governmental Activities	
General government	\$ 269,885
Public safety	702,341
Public works	2,841,615
Health & human services	1,128
Culture & recreation	477,918
Conservation & development	648
Total governmental activities depreciation	<u>\$ 4,293,535</u>

Business-type activities capital asset activity for the year ended December 31, 2022 was as follows

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type Activities				
Capital assets, not depreciated				
Land	\$ 888,479	\$ -	\$ -	\$ 888,479
Construction in progress	6,839,731	2,396,886	-	9,236,617
Total assets, not depreciated	<u>7,728,210</u>	<u>2,396,886</u>	<u>-</u>	<u>10,125,096</u>
Capital assets, depreciated				
Buildings & improvements	6,739,801	-	-	6,739,801
Machinery & equipment	5,827,161	62,435	43,007	5,846,589
Infrastructure	150,062,996	832,834	-	150,895,830
Total assets, depreciated	<u>162,629,958</u>	<u>895,269</u>	<u>43,007</u>	<u>163,482,220</u>
Less Accumulated depreciation for				
Buildings & improvements	2,545,840	208,476	-	2,754,316
Machinery & equipment	4,130,309	341,570	43,007	4,428,872
Infrastructure	45,982,386	3,068,844	-	49,051,230
Total accumulated depreciation	<u>52,658,535</u>	<u>3,618,890</u>	<u>43,007</u>	<u>56,234,418</u>
Total depreciable assets net of accumulated depreciation	<u>109,971,423</u>	<u>(2,723,621)</u>	<u>-</u>	<u>107,247,802</u>
Business-type activities capital assets, net accumulated depreciation	<u>\$ 117,699,633</u>	<u>\$ (326,735)</u>	<u>\$ -</u>	<u>\$ 117,372,898</u>

Depreciation expense was charged to functions as follows

Business-type Activities	
Water Utility	\$ 1,380,217
Sanitary Sewer Utility	2,238,673
	<u>\$ 3,618,890</u>

**CITY OF FRANKLIN, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 3 - DETAILED NOTES ON ALL FUNDS (continued)

F. LEASE DISCLOSURES

Lessor Lease Agreements

The City, acting as lessor, leases communication sites under a long-term, non-cancelable lease agreement. The leases expire at various dates through September 2064. During the year ended December 31, 2022, the City recognized \$167,509 and \$88,168 in lease revenue and interest revenue, respectively, pursuant to these contracts. The City has used estimated incremental borrowing rates of 2.5% - 4.0% in calculating the lease receivables and deferred inflows of resources as the lease agreements do not include explicit interest rates.

Total future minimum lease payments to be received under lease agreements are as follows:

Year	Principal	Interest	Total
2023	\$ 85,427	\$ 84,607	\$ 170,034
2024	102,734	80,662	183,396
2025	73,029	77,235	150,264
2026	78,789	74,020	152,809
2027	84,920	70,562	155,482
2028 - 2032	139,849	322,999	462,848
2033 - 2037	60,718	315,122	375,840
2038 - 2042	148,217	302,791	451,008
2043 - 2047	263,238	277,971	541,209
2048 - 2052	412,619	236,832	649,451
2053 - 2057	604,742	174,600	779,342
2058 - 2062	849,867	85,344	935,211
2063 - 2064	189,903	3,590	193,493
	<u>\$ 3,094,052</u>	<u>\$ 2,106,335</u>	<u>\$ 5,200,387</u>

The City has allocated the revenues, receivables, and deferred inflows of resources evenly between the General Fund / Governmental Activities and the Water Utility Fund / Business-type Activities.

G. INTERFUND RECEIVABLES / PAYABLES, ADVANCES, AND TRANSFERS

Interfund balances result from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system and (3) payments between funds are made. In all cases amounts are repaid within one year. At December 31, 2022, the TIF Districts fund had a due to the General Fund in the amount of \$1,326,957, which is expected to be funded through future tax increments.

**CITY OF FRANKLIN, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 3 - DETAILED NOTES ON ALL FUNDS (continued)

G. INTERFUND RECEIVABLES / PAYABLES, ADVANCES, AND TRANSFERS (continued)

Advances

The City of Franklin provides short- and long-term advances to its TIF Districts and Water Utility. The amounts advanced are either from proceeds of a borrowing or from fund reserves. They are used to enable the TIF Districts to carry out approved project plans. The TIF Districts interest rate is based upon the interest rate incurred by the debt service fund on its borrowings or the reinvestment rate available to other funds. The advances will be repaid as the TIF Districts have resources available.

In 2017, the City made an advance payment on the Public Works Defined Benefit Pension Plan. In doing so, advanced \$155,700 to the Water Utility on a 10-year note to aid the Water Utility portion of the payment. In 2019, the development fund advanced \$1.5 million to TIF District #7 as funding for a 10-year Mortgage to a Developer. Additionally, advances are made from the General fund and Development fund to finance project plan expenditures. The balances at December 31, 2022 were

Payable Fund	Receivable Fund			Due within One Year
	General Fund	Development Fund	Total	
TIF Districts	\$ -	\$ 1,500,000	\$ 1,500,000	\$ 300,000
Water Utility	71,450	-	71,450	18,200
	<u>\$ 71,450</u>	<u>\$ 1,500,000</u>	<u>\$ 1,571,450</u>	<u>\$ 318,200</u>

Transfers

Generally, transfers are used to (1) move revenue from the funds that collect them to the fund that the budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the Debt Service Fund and (3) use unrestricted revenue collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

Transfers as presented on the fund financial statements during the year ended December 31, 2022 were as follows:

Transfer In	Transfer Out				Fund Totals
	General Fund	Debt Service Fund	Nonmajor Governmental Funds	Enterprise Funds	
General Fund	\$ -	\$ -	\$ -	\$ 952,207	\$ 952,207
Debt Service Fund	-	-	288,578	-	288,578
Nonmajor Governmental Funds	24,000	-	18,000	-	42,000
	<u>\$ 24,000</u>	<u>\$ -</u>	<u>\$ 306,578</u>	<u>\$ 952,207</u>	<u>\$ 1,282,785</u>

**CITY OF FRANKLIN, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 3 - DETAILED NOTES ON ALL FUNDS (continued)

G. INTERFUND RECEIVABLES / PAYABLES, ADVANCES, AND TRANSFERS (continued)

Transfers (continued)

A reconciliation of fund statement transfers to government wide transfers for the year ended December 31, 2022 is as follows

	Governmental Funds	Enterprise Funds
Transfers in, per fund statements	\$ 1,282,785	\$ -
Transfers out, per fund statements	(330,578)	(952,207)
Municipality-financed addition to Utility Plant	(117,603)	117,603
Governmental-wide transfers	<u>\$ 834,604</u>	<u>\$ (834,604)</u>

H. LONG TERM OBLIGATIONS

General Obligation Debt

Long-term liabilities for the year ended December 31, 2022 were as follows

	Beginning Balance	Additions	Deletions	Ending Balance	Due within One Year
Governmental Activities					
General obligation debt	\$ 53,420,000	\$ -	\$ 2,825,000	\$ 50,595,000	\$ 2,465,000
Premium	739,555	-	107,355	632,200	-
Subtotal	<u>54,159,555</u>		<u>2,932,355</u>	<u>51,227,200</u>	<u>2,465,000</u>
Compensated absences					
Accrued vacation pay	496,555	1,179,584	1,194,117	482,022	482,022
Accrued severance pay	1,439,610	-	211,220	1,228,390	303,900
Accrued compensatory time	229,768	346,700	357,123	219,345	219,345
Total compensated absences	<u>2,165,933</u>	<u>1,526,284</u>	<u>1,762,460</u>	<u>1,929,757</u>	<u>1,005,267</u>
Net OPEB obligation		<u>1,324,712</u>	<u>514,057</u>	<u>810,655</u>	
Governmental activities long term obligations	<u>\$ 56,325,488</u>	<u>\$ 2,850,996</u>	<u>\$ 5,208,872</u>	<u>\$ 53,967,612</u>	<u>\$ 3,470,267</u>

The governmental activities compensated absences, net pension liabilities, and OPEB liabilities primarily accrue to and are paid from the City's general fund

**CITY OF FRANKLIN, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 3 - DETAILED NOTES ON ALL FUNDS (continued)

H. LONG TERM OBLIGATIONS (continued)

General Obligation Debt (continued)

	Beginning Balance	Additions	Deletions	Ending Balance	Due within One Year
Business-type Activities					
General obligation debt	\$ 3 905 000	\$	\$ 160 000	\$ 3 745 000	\$ 160 000
General obligation debt from direct borrowings	14 973 400		1 338 839	13 634 561	1 371 802
Premium	116 346	-	7 577	108 769	-
Discount	(6 371)		(889)	(5,482)	
Subtotal	18 988,375	-	1,505 527	17 482,848	1 531,802
Compensated absences					
Accrued vacation pay	47 584	52 502	48 072	52 014	52 014
Accrued severance pay	88 546	5 630		94 176	7 320
Accrued compensatory time	25,656	5 606	8,148	23,114	2 900
Total compensated absences	161 786	63,738	56,220	169 304	62,234
Net OPEB obligation	-	66 792	28,952	37 840	
Business-type activities long-term obligations	\$ 19,150,161	\$ 130,530	\$ 1,590,699	\$ 17,689,992	\$ 1,594,036

Details of general obligation notes and bonds payable as of December 31, 2022 are as follows

Governmental Activities							
Issuance	Date of Issue	Interest Rate	Maturity Dates	Interest Payable	Original Amount		Balance at 12/31/2022
General obligation notes - 2014A	12/18/2014	2.0 - 5.0%	3/1/15 - 24	3/1 & 9/1	\$ 5 320 000	1	\$ 655 000
General obligation notes - 2017B	12/21/2017	2.5 - 3.0%	3/1/19 - 27	3/1 & 9/1	1 630 000	4	1 240 000
General obligation bonds - 2019A	2/20/2019	3.0 - 3.5%	3/1/20 - 32	3/1 & 9/1	13 685 000	6	10 560 000
General obligation bonds - 2019B	2/20/2019	3.0 - 4.0%	3/1/22 - 34	3/1 & 9/1	6 365 000	7	6 205 000
General obligation bonds - 2019C	12/4/2019	1.75 - 3.05%	3/1/22 - 37	3/1 & 9/1	12 360 000	8	12 160 000
General obligation notes - 2019D	12/4/2019	2.0 - 3.0%	3/1/20 - 27	3/1 & 9/1	2 285 000	4	1 690 000
General obligation bonds - 2020A	12/10/2020	1.6 - 2.05%	3/1/20 - 37	3/1 & 9/1	9 545 000	5	9 545 000
General obligation bonds - 2020B	12/10/2020	1.0 - 2.0%	3/1/20 - 34	3/1 & 9/1	3 045 000	9	3 045 000
General obligation notes - 2021A	11/17/2021	2.0%	3/1/22 - 30	3/1 & 9/1	2 040 000	10	1 990 000
General obligation bonds - 2021B	12/2/2021	2.0 - 3.0%	3/1/22 - 41	3/1 & 9/1	3 505 000	11	3 505 000
Total Governmental Activities							\$ 50,595,000
Business-type Activities							
Issuance	Date of Issue	Interest Rate	Maturity Dates	Interest Payable	Original Amount		Balance at 12/31/2022
Clean Water Loan*	1/25/2012	2.46%	5/1/14 - 31	5/1 & 11/1	\$ 27 562,754	2	\$ 13 634 561
General obligation bonds - 2019A	12/18/2014	2.0 - 3.125%	3/1/15 - 34	3/1 & 9/1	1 290 000	3	840 000
General obligation bonds - 2021B	12/2/2021	2.0 - 3.0%	3/1/22 - 41	3/1 & 9/1	3 005 000	11	2 905 000
Total Business-type Activities							\$ 17,379,561

*Direct Borrowing

- 1 Issued 63% for capital TIF purposes and 37% for general capital purposes
- 2 Issued for a sewer extension on West Ryan Road
- 3 Issued for water building purposes
- 4 Issued for general capital improvement purposes
- 5 Refunded 2018A NAN for projects in TID #5
- 6 Issued to refund \$10 million of the 2018A NANs and a developer grant in TID #3

- 7 Issued for infrastructure projects in TID #6
- 8 Issued to refund \$4 million of the 2018A NAN capital projects in TID #5 and #7 and finance a developer mortgage in TID #7
- 9 Issued for capital projects in TID #6
- 10 Issued for Capital Improvement Plan and Acquisition of Vehicles and Equipment
- 11 Issued for sewerage projects and infrastructure projects

**CITY OF FRANKLIN, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 3 - DETAILED NOTES ON ALL FUNDS (continued)

H. LONG TERM OBLIGATIONS (continued)

General Obligation Debt (continued)

Annual principal and interest payments to maturity on general obligation notes and bonds payable are as follows

Year Ending December 31	Governmental Activities		Business-Type Activities Non-Direct Borrowings	
	Principal	Interest	Principal	Interest
2023	\$ 2,465,000	\$ 1,253,260	\$ 160,000	\$ 89,288
2024	2,970,000	1,177,998	160,000	84,488
2025	3,040,000	1,094,710	170,000	79,538
2026	3,445,000	1,005,666	180,000	74,288
2027	3,885,000	907,460	185,000	68,813
2028- 2032	21,565,000	2,827,291	1,050,000	259,425
2033- 2037	12,085,000	747,726	1,020,000	131,300
2038- 2041	1,140,000	46,900	820,000	33,300
	<u>\$ 50,595,000</u>	<u>\$ 9,061,011</u>	<u>\$ 3,745,000</u>	<u>\$ 820,440</u>

Year Ending December 31	Business-Type Activities Direct Borrowings	
	Principal	Interest
2023	\$ 1,371,802	\$ 318,796
2024	1,405,575	284,607
2025	1,440,181	249,575
2026	1,475,638	213,682
2027	1,511,968	176,904
2028- 2031	6,429,397	321,395
	<u>\$ 13,634,561</u>	<u>\$ 1,564,959</u>

The City's statutory debt limit and margin of indebtedness at December 31, 2022 are as follows

2022 Equalized value	\$ 5,423,303,100
Wisconsin limit	5.00%
Statutory debt limit	<u>\$ 271,165,155</u>
Total general obligation debt	<u>\$ 67,974,561</u>
Margin of indebtedness	<u>\$ 203,190,594</u>

**CITY OF FRANKLIN, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 3 - DETAILED NOTES ON ALL FUNDS (continued)

H. LONG TERM OBLIGATIONS (continued)

Municipal Revenue Obligations

In 2018, the City issued a municipal revenue obligation (MRO) as part of a development agreement. The amount of the obligation was \$3,500,000 and is payable to the developer solely from tax increments collected from a development in TID #5. No payment was made in 2022. The MRO bears interest at 5.5% payable on March 1 annually. The balance of the MRO was \$3,500,000 at December 31, 2022.

In 2020, the City issued an MRO as part of a development agreement. The amount of the obligation was \$14,952,000 and is payable to the developer solely from tax increments collected from a development in TID #7. \$459,000 in payments were made in 2022. The MRO bears no interest. The balance of the MRO was \$14,493,000 at December 31, 2022. The MRO is payable from tax increment collected until 2040.

The MROs described in the preceding paragraphs do not constitute a charge upon any funds of the City. In the event that future tax increments are not sufficient to pay off the obligations, the obligations terminate with no further liability to the City. Since the amount of the future payments is contingent on the collection of future TID increments, the obligations are not reported as a liability in the accompanying financial statements.

Clean Water Fund Loan Programs

The City's outstanding notes from direct borrowings related to business type activities of \$13,634,561 contain the following provisions in the event of a default: 1) Wisconsin Department of Administration can deduct amounts due from any state payments due to the City or add the amounts due as a special charge to the property taxes apportioned, 2) may appoint a receiver for the Program's benefit, 3) may declare the principal amount immediately due and payable, 4) may enforce any right or obligation under the financing agreement including the right to seek specific performance or mandamus, and 5) may increase the interest rate set forth in the financing agreement to the market interest rate.

**CITY OF FRANKLIN, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 3 - DETAILED NOTES ON ALL FUNDS (continued)

I. NET POSITION/FUND BALANCES

Governmental Activities

Governmental activities net position reported on the government-wide statement of net position at December 31, 2022 include the following

Governmental Activities

Net investment in capital assets	
Land	\$ 28,834,631
Construction in process	7,628,440
Other capital assets, net of accumulated depreciation	116,979,485
Less Related long-term debt outstanding	<u>(23,731,900)</u>
Net investment in capital assets	<u>\$ 129,710,656</u>

Business-type Activities

Net investment in capital assets	
Land	\$ 888,479
Construction in process	9,236,617
Other capital assets, net of accumulated depreciation	107,247,802
Less Related long-term debt outstanding	<u>(18,103,096)</u>
Net investment in capital assets	<u>\$ 99,269,802</u>

Governmental Fund Balances

Reported on the fund financial statements at December 31, 2022 include the following

Nonspendable

General fund - advances	\$ 71,450
General fund - prepaid items and inventories	52,421
Nonmajor governmental funds - prepaid items and inventories	<u>3,286</u>
Total nonspendable	<u>\$ 127,157</u>

**CITY OF FRANKLIN, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 3 - DETAILED NOTES ON ALL FUNDS (continued)

I. NET POSITION/FUND BALANCES (continued)

Governmental Fund Balances (continued)

<u>Restricted</u>	
Debt service	\$ 794,299
Utility improvements	2,649,144
Development	11,515,336
TIF Districts	9,400,464
Grants and donations	250,914
Opioid Settlement	73,238
Health services	184,821
Library services	522,731
Solid waste	421,841
Recreational services	79,298
Tourism commission	394,123
Total restricted	<u>\$ 26,286,209</u>
<u>Assigned</u>	
General fund - purchase orders	
Legal	\$ 5,000
Municipal buildings	7,744
Police department	85,035
Fire department	43,008
Highway	1,049
Economic development	11,915
Planning	2,350
Capital projects	
Capital outlay	1,574,137
Equipment replacement	998,521
Capital improvement	963,503
Street improvement	1,216,210
Total restricted	<u>\$ 4,908,472</u>
<u>Unassigned</u>	
General fund	\$ 11,089,844
TIF Districts (deficit)	(1,522,684)
Nonmajor governmental funds (deficit)	(55,655)
Total unassigned	<u>\$ 9,511,505</u>
Total fund balance	<u>\$ 40,833,343</u>

**CITY OF FRANKLIN, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 4 - OTHER INFORMATION

A. DEFINED BENEFIT PENSION PLANS

The City reports pension-related balances at December 31, 2022, as summarized below

	Net Pension Asset (Liability)	Deferred Outflows of Resources	Deferred Inflows of Resources	Pension Expense (Benefit)
Wisconsin Retirement System (WRS)	\$ 10,346,427	\$ 20,308,109	\$ 24,499,976	\$ (861,948)
City of Franklin Defined Benefit Retirement Income Plan	1,734,140	370,121	1,736,326	(441,082)
	<u>\$ 12,080,567</u>	<u>\$ 20,678,230</u>	<u>\$ 26,236,302</u>	<u>\$ (1,303,030)</u>

Wisconsin Retirement System (Protective Occupation Employees Only)

General Information about the Pension Plan

Plan description The WRS is a cost-sharing multiple-employer defined benefit pension plan. WRS benefits and other plan provisions are established by Chapter 40 of the Wisconsin Statutes. Benefit terms may only be modified by the legislature. The retirement system is administered by the Wisconsin Department of Employee Trust Funds (ETF). The system provides coverage to all eligible State of Wisconsin, local government, and other public employees. All employees, initially employed by a participating WRS employer on or after July 1, 2011, expected to work at least 1,200 hours a year (880 hours for teachers and school district educational support employees) and expected to be employed for at least one year from employee's date of hire are eligible to participate in the WRS.

ETF issues a standalone Annual Comprehensive Financial Report (ACFR), which can be found at <http://etf.wi.gov/about-etf/reports-and-studies/financial-reports-and-statements>

Additionally, ETF issued a standalone Wisconsin Retirement System Financial Report, which can also be found using the link above.

Vesting. For employees beginning participation on or after January 1, 1990, and no longer actively employed on or after April 24, 1998, creditable service in each of five years is required for eligibility for a retirement annuity. Participants employed prior to 1990 and on or after April 24, 1998, and prior to July 1, 2011, are immediately vested. Participants who initially became WRS eligible on or after July 1, 2011, must have five years of creditable service to be vested.

Benefits provided Employees who retire at or after age 65 (54 for protective occupations and 62 for elected officials and executive service retirement plan participants, if hired on or before 12/31/2016) are entitled to a retirement benefit based on a formula factor, their final average earnings, and creditable service.

**CITY OF FRANKLIN, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 4 - OTHER INFORMATION (continued)

A. DEFINED BENEFIT PENSION PLANS (continued)

Wisconsin Retirement System (continued)

General Information about the Pension Plan (continued)

Final average earnings is the average of the participant's three highest annual earnings periods. Creditable service includes current service and prior service for which a participant received earnings and made contributions as required. Creditable service also includes creditable military service. The retirement benefit will be calculated as a money purchase benefit based on the employee's contributions plus matching employer's contributions, with interest, if that benefit is higher than the formula benefit.

Vested participants may retire at or after age 55 (50 for protective occupations) and receive an actuarially-reduced benefit. Participants terminating covered employment prior to eligibility for an annuity may either receive employee-required contributions plus interest as a separation benefit or leave contributions on deposit and defer application until eligible to receive a retirement benefit. The WRS also provides death and disability benefits for employees.

Post-Retirement Adjustments The Employee Trust Funds Board may periodically adjust annuity payments from the retirement system based on annual investment performance in accordance with s 40.27, Wis Stat. An increase (or decrease) in annuity payments may result when investment gains (losses), together with other actuarial experience factors, create a surplus (shortfall) in the reserves, as determined by the system's consulting actuary. Annuity increases are not based on cost of living or other similar factors. For Core annuities, decreases may be applied only to previously granted increases. By law, Core annuities cannot be reduced to an amount below the original, guaranteed amount (the "floor") set at retirement. The Core and Variable annuity adjustments granted during recent years are as follows:

Year	Core Fund Adjustment (%)	Variable Fund Adjustment (%)
2012	(7.0)	(7.0)
2013	(9.6)	9.0
2014	4.7	25.0
2015	2.9	2.0
2016	0.5	(5.0)
2017	2.0	4.0
2018	2.4	17.0
2019	0.0	(10.0)
2020	1.7	21.0
2021	5.1	13.0

**CITY OF FRANKLIN, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 4 - OTHER INFORMATION (continued)

A. DEFINED BENEFIT PENSION PLANS (continued)

Wisconsin Retirement System (continued)

General Information about the Pension Plan (continued)

Contributions. Required contributions are determined by an annual actuarial valuation in accordance with Chapter 40 of the Wisconsin Statutes. The employee required contribution is one-half of the actuarially determined contribution rate for General category employees, including Teachers, Executives and Elected Officials. Starting on January 1, 2016, the Executives and Elected Officials category was merged into the General Employee Category. Required contributions for protective employees are the same rate as general employees. Employers are required to contribute the remainder of the actuarially determined contribution rate. The employer may not pay the employee required contribution unless provided for by an existing collective bargaining agreement.

During the City's reporting period, the WRS recognized \$1,490,772 contributions from the employer.

Contribution rates as of December 31, 2022 are

Employee Category	Employee	Employer
General (including teachers, executives, and elected officials)	6.50%	6.50%
Protective with Social Security	6.50%	12.00%
Protective without Social Security	6.50%	16.40%

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At December 31, 2022, the City reported a liability (asset) of (\$10,346,427), for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of December 31, 2021, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of December 31, 2020 rolled forward to December 31, 2021. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The City's proportion of the net pension liability (asset) was based on the City's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2021, the City's proportion was 0.12836466%, which was an increase of 0.01121984%, from its proportion measured as of December 31, 2020.

For the year ended December 31, 2022, the City recognized total pension expense (benefit) of (\$1,303,030), of which (\$861,948) relates to WRS Pension, including duty disability payments.

**CITY OF FRANKLIN, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 4 - OTHER INFORMATION (continued)

A. DEFINED BENEFIT PENSION PLANS (continued)

Wisconsin Retirement System (continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)

At December 31, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 16,714,131	\$ 1,205,269
Changes in assumptions	1,930,289	-
Net differences between projected and actual earnings on plan investments		23,145,820
Changes in proportion and differences between employer contributions and proportionate share of contributions	172,917	148,887
Contributions made subsequent to the measurement date	1,490,772	
Total	\$ 20,308,109	\$ 24,499,976

The \$1,490,772 reported as deferred outflows related to pension resulting from the City's contributions subsequent to the measurement date will be recognized as a reduction (addition) of the net pension liability (asset) in the year ended December 31, 2023 for the City. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense (benefit) as follows

Year Ended December 31	Amortization of Deferred Outflows & Deferred Inflows of Resources (Net)
2023	\$ (447,871)
2024	(2,778,726)
2025	(1,246,883)
2026	(1,209,159)

**CITY OF FRANKLIN, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 4 - OTHER INFORMATION (continued)

A. DEFINED BENEFIT PENSION PLANS (continued)

Wisconsin Retirement System (continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)

Actuarial assumptions The Total Pension Liability in the December 31, 2020, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement

Actuarial Valuation Date	December 31, 2020
Measurement Date of Net Pension Liability (Asset)	December 31, 2021
Experience Study	January 1, 2018 – December 31, 2020 Published November 19, 2021
Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Fair Value
Long-Term Expected Rate of Return	6.8%
Discount Rate	6.8%
Salary Increases	
Inflation	3.0%
Seniority/Merit	0.1% - 5.6%
Mortality	2020 WRS Experience Mortality Table
Post-retirement Adjustments*	1.7%

** No post retirement adjustment is guaranteed. Actual adjustments are based on recognized investment return, actuarial experience, and other factors. 1.7% is the assumed annual adjustment based on the investment return assumption and the post retirement discount rate.*

Actuarial assumptions are based upon an experience study conducted in 2021 that covered a three-year period from January 1, 2018 to December 31, 2020. Based on this experience study, actuarial assumptions used to measure the total pension liability changed from the prior year, including the discount rate, long-term expected rate of return, post-retirement adjustment, price inflation, mortality and separation rates. The total pension liability for December 31, 2021 is based upon a roll-forward of the liability calculated from the December 31, 2020 actuarial valuation.

**CITY OF FRANKLIN, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 4 - OTHER INFORMATION (continued)

A. DEFINED BENEFIT PENSION PLANS (continued)

Wisconsin Retirement System (continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)

Long-term expected Return on Plan Assets. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

Asset Allocation Targets and Expected Returns ¹			
As of December 31, 2021			
<u>Core Fund Asset Class</u>	<u>Asset Allocation %</u>	<u>Long-Term Expected Rate of Return %</u>	<u>Long-Term Expected Real Rate of Return % ²</u>
Global Equities	52	6.8	4.2
Fixed Income	25	4.3	1.8
Inflation Sensitive Assets	19	2.7	0.2
Real Estate	7	5.6	3.0
Private Equity/Debt	12	9.7	7.0
Total Core Fund ³	115	6.6	4.0
<u>Variable Fund Asset Class</u>			
U.S. Equities	70	6.3	3.7
International Equities	30	7.2	4.6
Total Variable Fund	100	6.8	4.2

¹ Asset allocations are managed within established ranges; target percentages may differ from actual monthly allocations.

² New England Pension Consultants Long Term US CPI (Inflation) Forecast 2.5%

³ The investment policy used for the Core Fund involves reducing equity exposure by leveraging lower-volatility assets, such as fixed income securities. This results in an asset allocation beyond 100%. Currently, an asset allocation target of 15% policy leverage is used subject to an allowable range of up to 20%.

**CITY OF FRANKLIN, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 4 - OTHER INFORMATION (continued)

A. DEFINED BENEFIT PENSION PLANS (continued)

Wisconsin Retirement System (continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)

Single Discount rate. A single discount rate of 6.80% was used to measure the total pension liability, as opposed to a discount rate of 7.0% for the prior year. This single discount rate is based on the expected rate of return on pension plan investments of 6.80% and a municipal bond rate of 1.84% (Source: Fixed-income municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index's "20-year Municipal GO AA Index" as of December 31, 2021. In describing this index, Fidelity notes that the Municipal Curves are constructed using option-adjusted analytics of a diverse population of over 10,000 tax-exempt securities.) Because of the unique structure of WRS, the 6.80% expected rate of return implies that a dividend of approximately 1.7% will always be paid. For purposes of the single discount rate, it was assumed that the dividend would always be paid. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments (including expected dividends) of current plan members. Therefore, the municipal bond rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the City's proportionate share of the Net Pension Liability (Asset) to changes in the discount rate. The following presents the City's proportionate share of the Net Pension Liability (Asset) calculated using the discount rate of 6.80%, as well as what the City's proportionate share of the Net Pension Liability (Asset) would be if it were calculated using a discount rate that is one-percentage-point lower (5.80%) or one-percentage-point higher (7.80%) than the current rate.

	1% Decrease to Discount Rate (5.80%)	Current Discount Rate (6.80%)	1% Increase to Discount Rate (7.80%)
City's Proportionate Share of the Net Pension Liability (Asset)	\$ 7,341,524	\$ (10,346,427)	\$ (23,078,461)

Pension plan fiduciary net position Detailed information about the pension plan's fiduciary net position is available in separately issued financial statements available at <https://etf.wi.gov/about-etf/reports-and-studies/financial-reports-and-statements>

**CITY OF FRANKLIN, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 4 - OTHER INFORMATION (continued)

A. DEFINED BENEFIT PENSION PLANS (continued)

CITY OF FRANKLIN DEFINED BENEFIT RETIREMENT INCOME PLAN

General Information about the Pension Plan

Plan Description - The City sponsors the City of Franklin Defined Benefit Retirement Income Plan, a single employer defined benefit pension plan covering eligible public works employees. The assets of this Plan are administered by Principal Life Insurance Company. An annual financial report may be obtained by writing to the plan administrator at Principal Financial Group, P O Box 9693, Des Moines, IA 50306-9396

Vesting – Participants with five years of credible service are 50% vested in the plan. Upon reaching 10 years of credible service participants are fully vested in the plan.

Benefits provided – The City of Franklin Defined Benefit Retirement Income Plan provides retirement benefits to former bargaining employees of the City that are not covered under Wisconsin State Pension Plan (Wisconsin Retirement System), or who are regular part-time employees as defined by Civil Service and who have a minimum of 6 months of service. Employees who retire at or after age 60 are entitled to receive an unreduced retirement benefit. The factors influencing the benefit are (1) average compensation at retirement, (2) years of creditable service, and (3) a formula factor.

Average compensation at retirement is the average of the participant's three highest consecutive years' earnings out of the ten latest years prior to retirement. Creditable service is the creditable current and prior service expressed in years or fractional partial years for which a participant receives earnings. The formula factor is a standard percentage based on the plan provisions.

Employees may retire at age 55, with a minimum of 10 completed years of service and receive reduced benefits. Employees terminating covered employment before becoming eligible for a retirement benefit may receive either normal retirement benefits at normal retirement date, or a lump-sum cash payment of participant's vested accumulations.

The plan also provides death and disability benefits for employees.

Participating employees - Membership in the plan as of date of study consisted of the following classes of participants:

Active employees	21
Terminated vested participants	10
Retirees	28
Total participants	<u>59</u>

**CITY OF FRANKLIN, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 4 - OTHER INFORMATION (continued)

A. DEFINED BENEFIT PENSION PLANS (continued)

CITY OF FRANKLIN DEFINED BENEFIT RETIREMENT INCOME PLAN (continued)

General Information about the Pension Plan (continued)

Contributions - Contribution requirements are established through action of the City Council and may be amended only through city ordinance. Employees make a non-elective and non-discretionary pension contribution that is equal to 8.2% of their payroll. The City contributes all remaining amounts necessary to fund the pension plan. During the reporting period, contributions of \$255,792 were made by the City to the plan.

Pension Liabilities/Asset, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At December 31, 2022, the City reported a liability (asset) of (\$1,734,140) for its net pension liability (asset). The net pension liability (asset) was measured as of December 31, 2021, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of December 31, 2021. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date.

Current year changes in the net pension liability (asset) were as follows:

	Total Pension Liability (a)	Increase (Decrease) in Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a) - (b)
Balance at December 31, 2021	\$ 12,011,182	\$ 12,093,009	\$ (81,827)
Changes for the year:			
Service cost	146,433	-	146,433
Interest	712,116	-	712,116
Difference between expected and actual experience	(836,058)	-	(836,058)
Assumption changes or inputs	-	-	-
Contributions - employer	-	255,792	(255,792)
Net investment income	-	1,434,668	(1,434,668)
Administrative expenses	-	(15,656)	15,656
Benefit payments	(556,738)	(556,738)	-
Balance at December 31, 2022	<u>\$ 11,476,935</u>	<u>\$ 13,211,075</u>	<u>\$ (1,734,140)</u>
Plan fiduciary net position as a percentage of the total Pension liability			115.11%

**CITY OF FRANKLIN, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 4 - OTHER INFORMATION (continued)

A. DEFINED BENEFIT PENSION PLANS (continued)

CITY OF FRANKLIN DEFINED BENEFIT RETIREMENT INCOME PLAN (continued)

Pension Liabilities/Asset, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)

At December 31, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 57,771	\$ 441,691
Changes in assumptions	120,350	-
Net differences between projected and actual earnings on plan investments	-	1,294,635
Contributions made subsequent to the measurement date	192,000	-
Total	\$ 370,121	\$ 1,736,326

The \$192,000 reported as deferred outflows related to pension resulting from the City's contributions subsequent to the measurement date will be recognized as a reduction (increase) of the net pension liability (asset) in the year ended December 31, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense (benefit) as follows

Year Ended December 31	Amortization of Deferred Outflows & Deferred Inflows of Resources (Net)
2023	\$ (541,478)
2024	(574,343)
2025	(298,269)
2026	(144,115)

**CITY OF FRANKLIN, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 4 - OTHER INFORMATION (continued)

A. DEFINED BENEFIT PENSION PLANS (continued)

CITY OF FRANKLIN DEFINED BENEFIT RETIREMENT INCOME PLAN (continued)

Pension Liabilities/Asset, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)

Actuarial assumptions - The pension liability in the December 31, 2021 actuarial valuation was determined use the following actuarial assumptions, applied to all periods in the measurement

Actuarial Valuation Date	December 31, 2021
Measurement Date of Net Pension Asset	December 31, 2021
Actuarial Cost Method	Entry Age
Asset Valuation Method	Market Value
Long-term Expected Rate of Return	6.00%
Discount Rate	6.00%
Salary Increases - Seniority / Merit	4.00%
Mortality	Based on PubG-2010 General base rate mortality table projected to future years with historical and assumed mortality improvement rates using the MP-2021 mortality improvement scale

Actuarial assumptions are based upon an experience study conducted in 2019 using historical experience. The total pension liability for December 31, 2022 is based upon the liability calculated from the December 31, 2021 actuarial valuation.

Long-term Expected Return on Plan Assets - The long-term expected rate of return on pension plan investments was determined using the weighted average rate based on the target asset allocation and the Long-Term Capital Market Assumptions. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Long-term Real Rate of Return	Target Allocation
US Equity - Large Cap	7.70%	38.67%
US Equity - Mid Cap	8.00%	4.54%
US Equity - Small Cap	8.55%	2.25%
Non-US Equity	8.00%	14.77%
Real Estate (District Property)	5.35%	6.03%
Core Bond	3.30%	30.94%
High Yield Bond	5.55%	2.80%

**CITY OF FRANKLIN, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 4 - OTHER INFORMATION (continued)

A. DEFINED BENEFIT PENSION PLANS (continued)

CITY OF FRANKLIN DEFINED BENEFIT RETIREMENT INCOME PLAN (continued)

Pension Liabilities/Asset, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)

Discount rate - A discount rate of 6.00% was used to measure the total pension liability. This single discount rate was based on the expected rate of return on pension plan investments of 6.00% and a long-term bond rate of 3.07%. The projection of cash flows used to determine this discount rate assumed that plan member contributions will be made at the current contribution rate and that the City contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the net pension liability to changes in the discount rate – The following presents the City's net pension liability (asset) calculated using the discount rate of 6.00%, as well as what the City's net pension liability (asset) would be if it were calculated using a discount rate that is one-percentage-point lower (5.00%) or one-percentage-point higher (7.00%) than the current rate.

	1% Decrease to Discount Rate (5.00%)	Current Discount Rate (6.00%)	1% Increase to Discount Rate (7.00%)
City's Proportionate Share of the Net Pension Liability (Asset)	\$ (470,723)	\$ (1,734,140)	\$ (2,803,163)

For the year ended December 31, 2022, the City recognized pension expense (benefit) of (\$441,082) related to the City of Franklin Defined Benefit Retirement Income Plan.

**CITY OF FRANKLIN, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 4 - OTHER INFORMATION (continued)

B. DEFINED CONTRIBUTION PLAN

Based on City ordinances all eligible City of Franklin non-protective employees (except public works employees) participate in the City of Franklin Defined Contribution Plan (the "Plan") The Plan assets are administered by the Principal Life Insurance Company

Employees after completing six months of service with the City are eligible to participate The Plan requires the City to make periodic contributions to each participant's account equal to 10% of such participant's annual compensation Employees are required to make contributions of 5% of wages A participant's accrued benefit for City contributions is 100% vested and non-forfeitable upon death, normal retirement, early retirement or permanent and total disability as defined in the Plan If employment is terminated for any other reason, each participant's accrued benefit vests at various percentages, based on years of service During 2022, total contributions of \$44,324 or 10% of covered payroll were made The City contributed \$22,162 and employees contributed \$22,162 The City may make amendments to the Plan

C. POST EMPLOYMENT HEALTH CARE BENEFITS

Plan administration and description – The City administers the City of Franklin Post-Employment Benefit Trust (City OPEB Plan), a single employer defined benefit OPEB plan that is used to provide post-employment health care benefits for all eligible full-time employees of the City Management of the City OPEB Plan is vested in the City's Common Council Separate financial statements are not prepared for the City OPEB Plan

Benefits provided – City of Franklin eligible full time employees meeting minimum age and service requirements may receive group health care benefits at a reduced cost during the period from their normal retirement date until they reach age 65 This results in another post-employment benefit obligation for those groups These groups commonly have higher medical costs than anticipated in the blended premium rates That differential is referred to as an implicit rate subsidy

Employees covered by benefit terms – At December 31, 2022, the following employees were covered by the benefit terms

Active employees	208
Inactive employees entitled to, by not yet receiving benefits	-
Retirees	25
Total participants	233

**CITY OF FRANKLIN, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 4 - OTHER INFORMATION (continued)

C. POST EMPLOYMENT HEALTH CARE BENEFITS (continued)

Contributions – Contribution requirements are established by either City ordinance or collective bargaining and may be amended only by the groups establishing the requirements. The City’s periodic contribution is determined and fixed at the time of retirement. The retiree pays the balance of the periodic blended premium. The eligibility for the benefit follows:

<u>Employee Group</u>	<u>#</u>	<u>City Amount</u>	<u>Age</u>	<u>Years of Service</u>
Non-represented	73	75% of Premium at Retirement	62	20
Police	69	75% of Premium at Retirement	53	15
Dispatch	14	75% of 2005 Premium	62	20
Fire	48	75% of Premium at Retirement	53	20
DPW	29	75% of Premium at Retirement	60	15
	<u>233</u>			

Investment policy – The City is authorized to invest funds of the City OPEB Plan in accordance with the City’s investment policy for the City OPEB Plan.

The long-term expected rate of return on OPEB plan investments was determined using a method in which best-estimate ranges of expected future real rates of return (expected returns, net of OPEB plan investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term Expected Real Rate of Return</u>
US Cash	4.62%	0.61%
US Core Fixed Income	29.27%	2.27%
US Equity	66.11%	5.76%

Concentrations – All OPEB plan assets have been invested in bonds and equity securities. See Note 3 A for additional information.

Rate of return – The annual money-weighted rate of return on investments, net of investment expense for 2022 was -14.15%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Actuarial assumptions – The City’s net OPEB liability (asset) was measured as of December 31, 2022, and the total OPEB liability used to calculate the net OPEB liability (asset) was determined by an actuarial valuation as of January 1, 2022.

**CITY OF FRANKLIN, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 4 - OTHER INFORMATION (continued)

C. POST EMPLOYMENT HEALTH CARE BENEFITS (continued)

The total OPEB liability in the January 1, 2022 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified

Salary increases	3% average, including inflation	
Investment rate of return	6.50%, net of OPEB plan investment expense, including inflation	
Healthcare cost trend rates	2022	6.30%
	2023	6.90%
	2024	7.20%
	2025	6.60%
	2026	5.90%
	2027	5.20%
	2028	5.00%
	2029	4.80%
	2030	4.60%
	2031	4.40%
	2032-2064	4.20%
	2065-2067	4.10%
	2068-2069	4.00%
	2070-2071	3.90%
	2072-2073	3.80%
	2074+	3.70%

Mortality rates were based on a blend of the Death-in-Service and Retired Lives mortality rates are based on the 2020 WRS Experience Tables and projected with mortality improvements using 100% of the fully generational MP-2021 projection scale from a base year of 2010

The actuarial assumptions used in the January 1, 2022 valuation were based on the results of an actuarial experience study for the period January 1, 2018 – December 31, 2020

Discount rate – The discount rate used to measure the total OPEB liability was 6.5%. The projection of cash flows used to determine the discount rate assumed that the City's contributions will be made at rates equal to the actuarially determined contribution rates over the next 40 years. This rate is a blend of expected earnings on Plan assets and the current yield for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher.

**CITY OF FRANKLIN, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 4 - OTHER INFORMATION (continued)

C. POST EMPLOYMENT HEALTH CARE BENEFITS (continued)

OPEB Liabilities/Asset, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

	Total OPEB	Increase (Decrease)	Net	
	Liability	in Plan Fiduciary	OPEB	
	(a)	Net Position	(a)	(b)
Balance at December 31 2021	\$ 7 617 767	\$ 9 073 766	\$ (1 455 999)	
Changes for the year				
Service cost	248 638		248 638	
Interest	487 002	-	487 002	
Economic/demographic gains or losses	-			
Assumption changes or inputs	786 509		786 509	
Contributions employer		372 652	(372 652)	
Contributions employees		170 357	(170 357)	
Net investment income		(1 266 753)	1 266 753	
Administrative expenses		-		
Benefit payments	(760,097)	(760 097)		
Estimated balance at December 31 2022	8 379 819	7 589 925	789 894	
Difference between estimated and actual Plan fiduciary Net Position		(58 601)	58 601	
Actual Balance at December 31 2022	\$ 8,379,819	\$ 7,531,324	\$ 848,495	
Plan fiduciary net position as a percentage of the total OPEB liability			89.87%	

Sensitivity of the net OPEB liability (asset) to changes in the discount rate and healthcare cost trend rates – The following presents the net OPEB liability (asset) of the City, as well as what the City’s net OPEB liability (asset) would be if it were calculated using a discount rate that is one-percentage-point lower of one-percentage-point higher than the current discount rate

	1% Decrease to Discount Rate (5.50%)	Current Discount Rate (6.50%)	1% Increase to Discount Rate (7.50%)
City’s Net OPEB Liability (Asset)	\$ 1,482,374	\$ 848,495	\$ 265,229
	1% Decrease to Healthcare Cost Trend Rates	Current Healthcare Cost Trend Rates	1% Increase to Healthcare Cost Trend Rates
City’s Net OPEB Liability (Asset)	\$ 592,789	\$ 848,495	\$ 1,008,685

**CITY OF FRANKLIN, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 4 - OTHER INFORMATION (continued)

C. POST EMPLOYMENT HEALTH CARE BENEFITS (continued)

OPEB Liabilities/Asset, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (continued)

For the year ended December 31, 2022, the City recognized OPEB expense (benefit) of \$251,808

At December 31, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 91,524	\$ 299,152
Changes in assumptions	840,561	924,335
Net differences between projected and actual earnings on plan investments	790,453	-
Total	\$ 1,722,538	\$ 1,223,487

Amounts reported as deferred outflows and deferred inflows of resources related to OPEB will be recognized in OPEB expense (benefit) as follows

Year Ended December 31	Amortization of Deferred Outflows & Deferred Inflows of Resources (Net)
2023	\$ (28,818)
2024	123,420
2025	172,926
2026	318,917
2027	(51,002)
Thereafter	(36,392)

The City does not report a payable for any outstanding amount of contributions to the City OPEB Plan as of December 31, 2022

D. CONTINGENCIES AND COMMITMENTS

The City at times is party to claims and legal proceedings. Although the outcome of such matters is not presently determinable, it is the opinion of City management and the City attorney that the likelihood is remote that any such claims or proceedings will have a material adverse effect on the City's financial position.

**CITY OF FRANKLIN, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 4 - OTHER INFORMATION (continued)

D. CONTINGENCIES AND COMMITMENTS (continued)

The City has received federal and state grants for specific purposes that are subject to review and audit by the grantor agencies. Such audits could lead to requests for reimbursements to the grantor agency for expenditures disallowed under terms of the grants. Management believes such disallowances, if any, would be immaterial.

The City receives impact fees for new development projects. The fees are to be used to fund specific projects within a specific period of time. In the event the projects are not completed or the time period elapses, the City will be required to refund the impact fees to the current owners of properties that the fees were originally collected.

Funding for the operating budget of the City comes from many sources, including property taxes, grants and aids from other units of government, user fees, fines and permits and other miscellaneous revenue. The State of Wisconsin provides a variety of aid and grant programs that benefit the City. Those aid and grant programs are dependent on continued approval and funding by the Wisconsin governor and legislature, through their budget process. Any changes made by the State to funding or eligibility of local aid programs could have a significant impact on future operating results of the City.

E. RISK MANAGEMENT

The City is exposed to various risks of loss related to torts, theft, damage or destruction of assets, errors and omissions, natural disasters, and workers' compensation claims that the City carries commercial insurance. No significant reductions in insurance coverage occurred for any risk of loss in the past year, and settled claims have not exceeded commercial coverage in any of the past three fiscal years.

The City also offers a group medical and dental insurance plan to employees for which the City is self-insured. This activity is accounted for in the City's Self Insurance Internal Service Fund. Group medical and dental costs are charged to City departments and retirees participating in the program. A third-party administrator handles claims payments. The City carries stop loss insurance for claims in excess of \$60,000 per year per individual and \$75,000 per year per group. Liabilities are reported when it is probable that claims have occurred and the amount of the claim can be reasonably estimated. Liabilities include an estimated amount for claims that have been incurred but not reported ("IBNR").

Changes in the balance of claims payable for the two years ended December 31, 2021 and 2022 are as follows:

Fiscal Year	Balance Beginning of Year	Current Claims and Changes in Estimates	Claims Payments	Balance End of Year
2022	\$ 311,800	\$ 2,890,665	\$ 2,992,465	\$ 210,000
2021	311,800	2,896,355	2,896,355	311,800

**CITY OF FRANKLIN, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 4 - OTHER INFORMATION (continued)

F. SUBSEQUENT EVENTS

Management evaluated subsequent events through July 28, 2023, the date the financial statements were available to be issued. Events or transactions occurring after December 31, 2022, but prior to July 28, 2023 that provided additional evidence about conditions that existed at December 31, 2022, have been recognized in the financial statements for the year ended December 31, 2022. Events or transactions that provided evidence about conditions that did not exist at December 31, 2022, but arose before the financial statements were available to be issued, have not been recognized in the financial statements for the year ended December 31, 2022.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF FRANKLIN, WISCONSIN
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
(ASSET) – WISONSIN RETIREMENT SYSTEM
YEAR ENDED DECEMBER 31, 2022

WRS Fiscal Year Ending Date	Proportion of the Net Pension Liability (Asset)	Proportionate Share of the Net Pension Liability (Asset)	Covered Payroll	Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
12/31/2014	0 084116700%	\$ (2,065,567)	\$ 8,071,472	-25 59%	102 74%
12/31/2015	0 082739220%	1,344,496	8,459,850	15 89%	98 20%
12/31/2016	0 084036620%	692,662	8,682,689	7 98%	99 12%
12/31/2017	0 087815360%	(2,607,342)	8,950,304	-29 13%	102 93%
12/31/2018	0 091598830%	3,258,799	9,094,718	35 83%	96 45%
12/31/2019	0 103535240%	(3,338,448)	13,827,279	-24 14%	102 96%
12/31/2020	0 117144820%	(7,313,513)	15,176,375	-48 19%	105 26%
12/31/2021	0 128364660%	(10,346,427)	15,132,859	-68 37%	106 02%

SCHEDULE OF EMPLOYER CONTRIBUTIONS – WISONSIN RETIREMENT SYSTEM
YEAR ENDED DECEMBER 31, 2022

City Fiscal Year Ending Date	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
12/31/2015	\$ 689,692	\$ 689,692	\$ -	\$ 8,459,850	8 15%
12/31/2016	869,137	869,137	-	8,682,689	10 01%
12/31/2017	1,074,037	1,074,037	-	8,950,304	12 00%
12/31/2018	1,119,560	1,119,560	-	9,094,718	12 31%
12/31/2019	1,380,924	1,380,924	-	13,827,279	9 99%
12/31/2020	1,568,169	1,568,169	-	15,176,375	10 33%
12/31/2021	1,505,635	1,505,635	-	15,132,859	9 95%
12/31/2022	1,490,772	1,490,772	-	15,182,595	9 82%

See Independent Auditors Report and accompanying Notes to Required Supplementary Information

CITY OF FRANKLIN, WISCONSIN
SCHEDULE OF THE NET PENSION LIABILITY (ASSET) AND RELATED RATIOS –
CITY OF FRANKLIN DEFINED BENEFIT RETIREMENT INCOME PLAN
YEAR ENDED DECEMBER 31, 2022

	Measurement Period Ending December 31							
	2015	2016	2017	2018	2019	2020	2021	2022
Total Pension Liability								
Service Cost	\$ 165,130	\$ 180,074	\$ 154,889	\$ 182,107	\$ 161,806	\$ 157,837	\$ 142,398	\$ 146,433
Interest on the Total Pension Liability	531,850	603,514	606,747	651,297	675,093	662,710	676,516	712,116
Benefit Changes					(656,529)			
Difference between Expected and Actual Experience	527,384	(460,357)	425,998	(154,963)	149,778	(466,918)	378,725	(836,058)
Assumption Changes	213,402	12,332	709,323	(203,418)	1,303,694	(615,012)	788,964	
Benefit Payments	(191,375)	(239,861)	(296,465)	(370,146)	(434,808)	(469,209)	(513,694)	(556,738)
Net Change in Total Pension Liability	1,246,391	95,702	1,600,492	104,877	1,199,034	(730,582)	1,472,909	(534,247)
Total Pension Liability - Beginning	7,022,369	8,268,760	8,364,462	9,964,954	10,069,831	11,268,865	10,538,273	12,011,182
Total Pension Liability - Ending	\$ 8,268,760	\$ 8,364,462	\$ 9,964,954	\$ 10,069,831	\$ 11,268,865	\$ 10,538,273	\$ 12,011,182	\$ 11,476,935
Plan Fiduciary Net Position								
Employer Contributions	\$ 293,632	\$ 339,927	\$ 302,518	\$ 1,133,559	\$ 251,009	\$ 256,000	\$ 581,000	\$ 255,792
Pension Plan Net Investment Income	377,842	(41,577)	409,272	1,372,321	(363,980)	1,724,318	1,448,664	1,434,668
Benefit Payments	(191,375)	(239,861)	(296,465)	(370,146)	(434,808)	(469,209)	(513,694)	(556,738)
Pension Plan Administrative Expense	(27,941)	(22,802)	(20,307)	(31,410)	(28,890)	(25,806)	(19,130)	(15,656)
Other					(4,564)			
Net Change in Plan Fiduciary Net Position	452,158	35,687	395,018	2,104,324	(581,233)	1,485,303	1,496,840	1,118,066
Plan Fiduciary Net Position - Beginning	6,704,912	7,157,070	7,192,757	7,587,775	9,692,099	9,110,866	10,596,169	12,093,009
Plan Fiduciary Net Position - Ending	\$ 7,157,070	\$ 7,192,757	\$ 7,587,775	\$ 9,692,099	\$ 9,110,866	\$ 10,596,169	\$ 12,093,009	\$ 13,211,075
Net Pension Liability (Asset) Ending	\$ 1,111,690	\$ 1,171,705	\$ 2,377,179	\$ 377,732	\$ 2,157,999	\$ (57,896)	\$ (81,827)	\$ (1,734,140)
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	87%	86%	76%	96%	81%	101%	101%	115%
Covered Payroll	\$ 1,792,628	\$ 1,876,995	\$ 1,853,074	\$ 1,792,628	\$ 1,776,639	\$ 1,731,027	\$ 1,620,333	\$ 1,496,670
Net Pension Liability (Asset) as a Percentage of Covered Payroll	62%	62%	128%	21%	121%	3%	5%	116%

See Independent Auditors Report and Accompanying Notes to Required Supplementary Information

**CITY OF FRANKLIN, WISCONSIN
SCHEDULE OF CONTRIBUTIONS – CITY OF FRANKLIN
DEFINED BENEFIT RETIREMENT INCOME PLAN
YEAR ENDED DECEMBER 31, 2022**

Fiscal Year Ending December 31,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a % of Covered Payroll
2015	\$ 339,927	\$ 339,927	\$ -	\$ 1,876,995	18%
2016	302,518	1,202,518	(900,000)	1,853,074	65%
2017	233,559	233,559	-	1,792,628	13%
2018	251,009	251,009	-	1,776,639	14%
2019	255,552	256,000	(448)	1,731,027	15%
2020	256,855	581,000	(324,145)	1,620,333	36%
2021	255,792	255,792	-	1,496,670	17%
2022	159,303	192,000	(32,697)	1,406,026	14%

See Independent Auditors Report and Accompanying Notes to Required Supplementary Information

**CITY OF FRANKLIN, WISCONSIN
SCHEDULE OF CHANGES IN NET OPEB LIABILITY (ASSET)
AND RELATED RATIOS – OPEB PLAN
YEAR ENDED DECEMBER 31, 2022**

	Fiscal Year Ending December 31					
	2017	2018	2019	2020	2021	2022
Total OPEB Liability						
Service Cost	\$ 223 719	\$ 238 261	\$ 210 159	\$ 223 819	\$ 238 367	\$ 248 638
Interest on the Total OPEB Liability	489 875	509 975	516 342	557 865	563 984	487 002
Difference between Expected and Actual Experience			132 200	-	(195 804)	-
Assumption Changes		-	208 654	-	(1 186 931)	786 509
Benefit Payments	(418 905)	(622 193)	(442 196)	(469 392)	(472 857)	(760 097)
Net Change in Total OPEB Liability	294 689	126 043	625 159	312 292	(1 053 241)	762 052
Total OPEB Liability - Beginning	7 312 825	7 607 514	7 733 557	8 358 716	8 671 008	7 617 767
Total OPEB Liability - Ending	\$ 7 607 514	\$ 7 733 557	\$ 8 358 716	\$ 8 671 008	\$ 7 617 767	\$ 8 379 819
Plan Fiduciary Net Position						
Employer Contributions	\$ 422 684	\$ 444 364	\$ 377 172	\$ 719 788	\$ 374 367	\$ 372 652
Employee Contributions	91 969	128 294	215 296	146 308	147 403	170 357
OPEB Plan Net Investment Income	673 624	(294 824)	1 159 084	421 249	1 237 939	(1 266 753)
Benefit Payments	(500 350)	(622 193)	(442 196)	(469 392)	(472 857)	(760 097)
OPEB Plan Administrative Expense	-	-	-	-	(8 000)	-
Deferred Inflows		-		438 201	(23 651)	(34 950)
Net Change in Plan Fiduciary Net Position	687 927	(344 359)	1 309 356	1 256 154	1 255 201	(1 518 791)
Plan Fiduciary Net Position - Beginning	4 885 836	5 573 763	5 229 404	6 538 760	7 794 914	9 050 115
Plan Fiduciary Net Position - Ending	\$ 5 573 763	\$ 5 229 404	\$ 6 538 760	\$ 7,794 914	\$ 9 050 115	\$ 7 531 324
Net OPEB Liability (Asset) Ending	\$ 2 033 751	\$ 2 504 153	\$ 1 819 956	\$ 876 094	\$ (1 432 348)	\$ 848 495
Plan Fiduciary Net Position as a Percentage of Total OPEB Liability (Asset)	73%	68%	78%	90%	119%	90%
Covered Payroll	\$ 13 879 896	\$ 14 188 222	\$ 14 300 000	\$ 14 300 000	\$ 15 411 322	\$ 15 411 322
Net OPEB Liability as a Percentage of Covered Payroll	15%	18%	13%	6%	9%	6%

See Independent Auditors Report and Accompanying Notes to Required Supplementary Information

**CITY OF FRANKLIN, WISCONSIN
SCHEDULE OF CONTRIBUTIONS – OPEB PLAN
YEAR ENDED DECEMBER 31, 2022**

	Fiscal Year Ending December 31					
	2017	2018	2019	2020	2021	2022
Actuarially Determined Contribution	\$ 422 684	\$ 441 859	\$ 377 172	\$ 394 788	\$ 324 614	\$ 149 256
Actual Contribution	422 684	444,364	377 172	719,788	374,367	372,652
Contribution Deficiency (Excess)	<u>\$</u>	<u>\$ (2 505)</u>	<u>\$</u>	<u>\$ (325 000)</u>	<u>\$ (49 753)</u>	<u>\$ (223 396)</u>
Covered Payroll	\$ 13 879 896	\$ 14 188 222	\$ 14 300 000	\$ 14 300 000	\$ 15 411 322	\$ 15 411 322
Actual Contribution as a Percentage of Covered Payroll	3%	3%	3%	5%	2%	2%

See Independent Auditors Report and Accompanying Notes to Required Supplementary Information

**CITY OF FRANKLIN, WISCONSIN
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2022**

NOTE 1 – PRESENTATION

The City is required to present the last ten years of data on each schedule included in the required supplementary information, however, the standards allow the City to present as many years of information as are available until ten years are presented

NOTE 2 - WISCONSIN RETIREMENT SYSTEM

The data presented in the Schedule of Proportionate Share of the Net Pension Liability (Asset) for the Wisconsin Retirement System was taken from the reports issued by the Wisconsin Retirement System

Changes of benefit terms There were no changes of benefit terms for any participating employer in WRS

Changes in assumptions. Based on a three-year experience study conducted in 2021 covering January 1 2019 through December 31, 2020, the ETF Board adopted assumption changes that were used to measure the total pension liability beginning with the year-ended December 31, 2021, including the following

- 1 Lowering the long-term expected rate of return from 7.0% to 6.8%
- 2 Lowering the discount rate from 7.0% to 6.8%
- 3 Lowering the price inflation rate from 2.5% to 2.4%
- 4 Lowering the post-retirement adjustments from 1.9% to 1.7%
- 5 Mortality assumptions were changed to reflect updated trends by transitions from the Wisconsin 2018 Mortality Table to the 2020 WRS Experience Mortality Table

Based on the three-year experience study conducted in 2018 covering January 1, 2015 through December 31, 2017, the ETF Board adopted assumption changes that were used to measure the total pension liability beginning with the year-ended December 31, 2018, including the following

- 1 Lowering the long-term expected rate of return from 7.2% to 7.0%
- 2 Lowering the discount rate from 7.2% to 7.0%
- 3 Lowering the wage inflation rate from 3.2% to 3.0%
- 4 Lowering the price inflation rate from 2.7% to 2.5%
- 5 Lowering the post-retirement adjustments from 2.1% to 1.9%
- 6 Mortality assumptions were changed to reflect updated trends by transitions from the Wisconsin 2012 Mortality Table to the Wisconsin 2018 Mortality Table

**CITY OF FRANKLIN, WISCONSIN
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2022**

NOTE 2 - WISCONSIN RETIREMENT SYSTEM (continued)

Significant methods and assumptions used in calculating Wisconsin Retirement System Actuarially Determined Contributions:

	2021	2020	2019	2018	2017
Valuation Date	December 31 2019	December 31 2018	December 31 2017	December 31 2016	December 31 2015
Actuarial Cost Method	Frozen Entry Age	Frozen Entry Age	Frozen Entry Age	Frozen Entry Age	Frozen Entry Age
Amortization Method	Level Percent of Payroll-Closed Amortization Period	Level Percent of Payroll-Closed Amortization Period	Level Percent of Payroll-Closed Amortization Period	Level Percent of Payroll-Closed Amortization Period	Level Percent of Payroll-Closed Amortization Period
Amortization Period	30 Year closed from date of participation in WRS	30 Year closed from date of participation in WRS	30 Year closed from date of participation in WRS	30 Year closed from date of participation in WRS	30 Year closed from date of participation in WRS
Asset Valuation Method	Five Year Smoothed Market Closed	Five Year Smoothed Market Closed	Five Year Smoothed Market Closed	Five Year Smoothed Market Closed	Five Year Smoothed Market Closed
Actuarial Assumptions					
Net Investment Rate of Return	5.4%	5.4%	5.5%	5.5%	5.5%
Weighted based on assumed rate for					
Pre-retirement	7.0%	7.0%	7.2%	7.2%	7.2%
Post-retirement	5.0%	5.0%	5.0%	5.0%	5.0%
Salary Increases					
Wage Inflation	3.0%	3.0%	3.2%	3.2%	3.2%
Seniority Merit	0.1%-5.6%	0.1%-5.6%	0.1%-5.6%	0.1%-5.6%	0.1%-5.6%
Post-retirement Benefit Adjustments*	1.9%	1.9%	2.1%	2.1%	2.1%
Retirement Age	Experience- based table of rates that are specific to the type of eligibility condition. Last updated for the 2018 valuation pursuant to an experience study of the period 2015-2017	Experience- based table of rates that are specific to the type of eligibility condition. Last updated for the 2018 valuation pursuant to an experience study of the period 2015 - 2017	Experience- based table of rates that are specific to the type of eligibility condition. Last updated for the 2015 valuation pursuant to an experience study of the period 2012 - 2014	Experience- based table of rates that are specific to the type of eligibility condition. Last updated for the 2015 valuation pursuant to an experience study of the period 2012 - 2014	Experience- based table of rates that are specific to the type of eligibility condition. Last updated for the 2015 valuation pursuant to an experience study of the period 2012 - 2014
Mortality	Wisconsin 2018 Mortality Table The rates based on actual WRS experience adjusted for future mortality improvements using the MP-2018 fully generational improvement scale multiplied by 60%	Wisconsin 2018 Mortality Table The rates based on actual WRS experience adjusted for future mortality improvements using the MP-2018 fully generational improvement scale multiplied by 60%	Wisconsin 2012 Mortality Table The rates based on actual WRS experience adjusted for future mortality improvements using the MP 2015 fully generational improvement scale multiplied by 50%	Wisconsin 2012 Mortality Table The rates based on actual WRS experience adjusted for future mortality improvements using the MP-2015 fully generational improvement scale multiplied by 50%	Wisconsin 2012 Mortality Table The rates based on actual WRS experience adjusted for future mortality improvements using the MP-2015 fully generational improvement scale multiplied by 50%

*No post-retirement adjustment is guaranteed. Actual adjustments are based on recognized investment return, actuarial experience and other factors. Value is the assumed annual adjustment based on the investment return assumption and the post-retirement discount rate.

**CITY OF FRANKLIN, WISCONSIN
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2022**

NOTE 2 - WISCONSIN RETIREMENT SYSTEM (continued)

Significant methods and assumptions used in calculating Wisconsin Retirement System Actuarially Determined Contributions:

	2016	2015	2014	2013
Valuation Date	December 31 2014	December 31 2013	December 31 2012	December 31 2011
Actuarial Cost Method	Frozen Entry Age	Frozen Entry Age	Frozen Entry Age	Frozen Entry Age
Amortization Method	Level Percent of Payroll-Closed Amortization Period	Level Percent of Payroll-Closed Amortization Period	Level Percent of Payroll-Closed Amortization Period	Level Percent of Payroll-Closed Amortization Period
Amortization Period	30 Year closed from date of participation in WRS	30 Year closed from date of participation in WRS	30 Year closed from date of participation in WRS	30 Year closed from date of participation in WRS
Asset Valuation Method	Five Year Smoothed Market (Closed)	Five Year Smoothed Market (Closed)	Five Year Smoothed Market (Closed)	Five Year Smoothed Market (Closed)
Actuarial Assumptions				
Net Investment Rate of Return	5.5%	5.5%	5.5%	5.5%
Weighted based on assumed rate for				
Pre-retirement	7.2%	7.2%	7.2%	7.2%
Post-retirement	5.0%	5.0%	5.0%	5.0%
Salary Increases				
Wage Inflation	3.2%	3.2%	3.2%	3.2%
Seniority Merit	0.1%-5.6%	0.1%-5.6%	0.1%-5.6%	0.1%-5.6%
Post-retirement Benefit Adjustments*	2.1%	2.1%	2.1%	2.1%
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2012 valuation pursuant to an experience study of the period 2009 - 2011.	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2012 valuation pursuant to an experience study of the period 2009 - 2011.	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2012 valuation pursuant to an experience study of the period 2009 - 2011.	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2009 valuation pursuant to an experience study of the period 2006 - 2008.
Mortality	Wisconsin 2012 Mortality Table. The rates based on actual WRS experience projected to 2017 with scale BB to all for future improvements (margin) in mortality.	Wisconsin 2012 Mortality Table. The rates based on actual WRS experience projected to 2017 with scale BB to all for future improvements (margin) in mortality.	Wisconsin 2012 Mortality Table. The rates based on actual WRS experience projected to 2017 with scale BB to all for future improvements (margin) in mortality.	Wisconsin Projected Experience Table - 2005 for women and 90% of the Wisconsin Projected Experience Table - 2005 for men.

*No post-retirement adjustment is guaranteed. Actual adjustments are based on recognized investment return, actuarial experience and other factors. Value is the assumed annual adjustment based on the investment return assumption and the post-retirement discount rate.

**CITY OF FRANKLIN, WISCONSIN
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2022**

NOTE 3 – CITY OF FRANKLIN DEFINED BENEFIT RETIREMENT INCOME PLAN

The data presented in the Schedule of Changes in Net Pension Liability (Asset) and Related Ratios and Schedule of Contributions for the City of Franklin Defined Benefit Retirement Income Plan was taken from the reports issued by the actuary

Changes of benefit terms There were no changes of benefit terms

Changes of assumptions No significant change in assumptions from the prior year were noted

NOTE 4 – OPEB PLAN

The data presented in the Schedule of Changes in Net OPEB Liability (Asset) and Related Ratios and Schedule of Contributions for the City of Franklin Post-Employment Benefit Trust Plan was taken from the reports issued by the actuary

Changes of benefit terms There were no changes of benefit terms

Changes of assumptions No significant change in assumptions from the prior year were noted

SUPPLEMENTARY INFORMATION

Nonmajor Governmental Funds

Special Revenue Funds

Special revenue funds account for the proceeds of specific revenue sources (other than debt service or major capital projects) that are restricted for specified purposes

Library operating fund – This fund accounts for the budgetary operation of the library

Library auxiliary fund – This fund accounts for library donations, fines, and forfeitures

Solid waste collection fund – This fund accounts for solid waste collection activities

Donation fund – This fund accounts for donations received for specific purposes

St Martins Fair fund – This fund accounts for activities related to the farmers/flea market held the first Monday of the spring and summer months and the Labor Day weekend

Civic celebrations fund – This fund accounts for activity related to the City's Fourth of July and other celebrations

Tourism Commission fund – The state mandated that certain portions of the hotel tax be dedicated for tourism promotion. The Common Council formed a tourism commission that determines how those funds are spent

Opioid Settlement fund – This fund accounts for funds received and restricted for human services from opioid settlements. These funds are to be used to support treatment of Opioid Use Disorder (OUD) and any co-occurring Substance Use Disorder or Mental Health (SUD/MH) conditions through evidence-based or evidence-informed programs or strategies

Grant fund – The City reports its grant activities in this fund. Grant activities include fire department, police department, health department, community development block grants, COVID-19 grants, and miscellaneous grants received by the City that are not accounted for elsewhere

Capital Projects Funds

Capital projects funds account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds)

Capital outlay fund – This fund accounts for the departmental capital outlays. These expenditures are funded by the tax levy, normally are less than \$25,000 and are under the direction of the department supervisor

Equipment replacement fund – This fund accounts for the rolling stock replacement program that accumulates annual funding (from landfill siting fees) for replacement of vehicles and similar equipment in lieu of using borrowed monies

Capital improvement fund – This fund accounts for land acquisitions, building projects, and all public works projects and are usually funded with landfill siting revenues, borrowed money, or funding from some other source other than the tax levy

Street improvement fund – This fund accounts for the activities of the local road improvement program. Funding is provided by landfill siting fees and a portion of general transportation aids and an every-other-year local road improvement grant from the state

Utility improvement fund – This fund is used to account for water and sewer connection fees and special assessments that are used for water and sewer construction projects

Development fund – This fund is used to account for impact fees restricted for use to capital improvements

**CITY OF FRANKLIN, WISCONSIN
COMBINING BALANCE SHEET – NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2022**

	Special Revenue Funds									Total Special Revenue Funds
	Library Operating Fund	Library Auxiliary Fund	Solid Waste Collection Fund	St Martin's Fair Fund	Donation Fund	Civic Celebrations Fund	Tourism Commission Fund	Opioid Settlement Fund	Grant Fund	
ASSETS										
Cash and investments	\$ 1,708,547	\$ 158,429	\$ 2,226,680	\$	\$ 252,240	\$ 79,998	\$ 284,262	\$ 73,238	\$ 3,922,840	\$ 8,706,234
Receivables			33,156				109,861		13,233	156,250
Accounts receivable										
Taxes receivable										
Due from other governments	58,058									58,058
Prepaid items						3,286				3,286
Total assets	\$ 1,766,605	\$ 158,429	\$ 2,259,836	\$	\$ 252,240	\$ 83,284	\$ 394,123	\$ 73,238	\$ 3,936,073	\$ 8,923,828
LIABILITIES AND FUND BALANCES										
LIABILITIES										
Accounts payable	\$ 13,219	\$ 9,604	\$ 220,040	\$ 55,655	\$ 1,326	\$ 700	\$	\$	\$ 2,902	\$ 303,446
Accrued liabilities	5,386	94	5,119							10,599
Unearned revenue			1,612,836						3,748,350	5,361,186
Total liabilities	18,605	9,698	1,837,995	55,655	1,326	700			3,751,252	5,675,231
DEFERRED INFLOWS OF RESOURCES										
Subsequent year tax levy	1,374,000									1,374,000
FUND BALANCES										
Nonspendable										
Inventories and prepaid items						3,286				3,286
Restricted										
Grants and Donations					250,914					250,914
Opioid Settlement							73,238			73,238
Health services									184,821	184,821
Library services	374,000	148,731								522,731
Solid waste			421,841							421,841
Recreational services						79,298				79,298
Tourist commission							394,123			394,123
Unassigned (deficit)				(55,655)						(55,655)
Total fund balances (deficit)	374,000	148,731	421,841	(55,655)	250,914	82,584	394,123	73,238	184,821	1,674,597
Total liabilities, deferred inflows and fund balances (deficit)	\$ 1,766,605	\$ 158,429	\$ 2,259,836	\$	\$ 252,240	\$ 83,284	\$ 394,123	\$ 73,238	\$ 3,936,073	\$ 8,923,828

(Continued)

**CITY OF FRANKLIN, WISCONSIN
COMBINING BALANCE SHEET – NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2022**

	Capital Projects Funds						Total Capital Projects Funds	Total Nonmajor Governmental Funds
	Capital Outlay Fund	Equipment Replacement Fund	Capital Improvement Fund	Street Improvement Fund	Utility Improvement Fund	Development Fund		
ASSETS								
Cash and investments	\$ 1,441,531	\$ 1,382,309	\$ 1,009,737	\$ 2,178,381	\$ 2,649,144	\$ 10,231,828	\$ 18,892,930	\$ 27,599,164
Receivables								
Accounts receivable	137,785	53,990	6,847	18,000		3,265	219,887	376,137
Taxes receivable								
Special assessments receivable					134,580		134,580	134,580
Due from other governments								58,058
Prepaid items								3,286
Long-term advances						1,500,000	1,500,000	1,500,000
Total assets	<u>\$ 1,579,316</u>	<u>\$ 1,436,299</u>	<u>\$ 1,016,584</u>	<u>\$ 2,196,381</u>	<u>\$ 2,783,724</u>	<u>\$ 11,735,093</u>	<u>\$ 20,747,397</u>	<u>\$ 29,671,225</u>
LIABILITIES AND FUND BALANCES								
LIABILITIES								
Accounts payable	\$ 5,179	\$ 437,778	\$ 53,081	\$ 980,171			\$ 1,476,209	\$ 1,779,655
Accrued liabilities						219,757	219,757	230,356
Subsequent year tax levy								5,361,186
Total liabilities	<u>5,179</u>	<u>437,778</u>	<u>53,081</u>	<u>980,171</u>		<u>219,757</u>	<u>1,695,966</u>	<u>7,371,197</u>
DEFERRED INFLOWS OF RESOURCES								
Unavailable revenue					134,580		134,580	134,580
Unearned revenue								1,374,000
Total Unavailable and Unearned revenue					<u>134,580</u>		<u>134,580</u>	<u>1,508,580</u>
FUND BALANCES (DEFICIT)								
Nonspendable:								
Inventories and prepaid items								3,286
Restricted:								
Utility improvements					2,649,144		2,649,144	2,649,144
Development						11,515,336	11,515,336	11,515,336
Grants and Donations								250,914
Opioid Settlement								73,238
Health services								184,821
Library services								522,731
Solid waste								421,841
Recreational services								79,298
Tourist commission								394,123
Assigned:								
Capital projects	1,574,137	998,521	963,503	1,216,210			4,752,371	4,752,371
Unassigned (deficit)								(55,655)
Total fund balances (deficit)	<u>1,574,137</u>	<u>998,521</u>	<u>963,503</u>	<u>1,216,210</u>	<u>2,649,144</u>	<u>11,515,336</u>	<u>18,916,851</u>	<u>20,791,448</u>
Total liabilities, deferred inflows and fund balances (deficit)	<u>\$ 1,579,316</u>	<u>\$ 1,436,299</u>	<u>\$ 1,016,584</u>	<u>\$ 2,196,381</u>	<u>\$ 2,783,724</u>	<u>\$ 11,735,093</u>	<u>\$ 20,747,397</u>	<u>\$ 29,671,225</u>

(Concluded)

**CITY OF FRANKLIN, WISCONSIN
COMBINING SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES IN
FUND BALANCES – NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2022**

	Special Revenue Funds								Total Special Revenue Funds	
	Library Operating Fund	Library Auxiliary Fund	Solid Waste Fund	St Martin's Fair Fund	Donation Fund	Civic Celebrations Fund	Tourism Commission Fund	Opioid Settlement Fund		Grant Fund
REVENUE										
Taxes	\$ 1,347,200	\$	\$	\$	\$	\$	\$ 319,684	\$	\$	\$ 1,666,884
Intergovernmental revenue	65,845		69,079					688,140		823,064
Licenses and permits				22,597		18,217				40,814
Public charges for services	20,000	8,460	2,027,112			105,978				2,161,550
Investment earnings	7,160	1,952	12,581					2,907	6,778	31,378
Miscellaneous revenue		49,334	2,185		30,892	24,353		73,238	1,235	181,237
Total revenue	<u>1,440,205</u>	<u>59,746</u>	<u>2,110,957</u>	<u>22,597</u>	<u>30,892</u>	<u>148,548</u>	<u>322,591</u>	<u>73,238</u>	<u>696,153</u>	<u>4,904,927</u>
EXPENDITURES										
Current										
General government					232				1,253	1,485
Public safety					42,071				78,967	121,038
Public works			2,120,637							2,120,637
Health and human services					2,360				514,412	516,772
Culture and recreation	1,377,854	43,120		66,853		173,973				1,661,800
Conservation and development							162,579			162,579
Capital outlay	183,420	14,163								197,583
Total expenditures	<u>1,561,274</u>	<u>57,283</u>	<u>2,120,637</u>	<u>66,853</u>	<u>44,663</u>	<u>173,973</u>	<u>162,579</u>	<u>594,632</u>	<u>101,521</u>	<u>4,781,894</u>
Excess (deficiency) of revenue over expenditures	<u>(121,069)</u>	<u>2,463</u>	<u>(9,680)</u>	<u>(44,256)</u>	<u>(13,771)</u>	<u>(25,425)</u>	<u>160,012</u>	<u>73,238</u>	<u>101,521</u>	<u>123,033</u>
OTHER FINANCING SOURCES (USES)										
Transfers in				11,000		13,000				24,000
Transfers out					(18,000)					(18,000)
Total other financing sources (uses)				<u>11,000</u>	<u>(18,000)</u>	<u>13,000</u>				<u>6,000</u>
Net change in fund balances	(121,069)	2,463	(9,680)	(33,256)	(31,771)	(12,425)	160,012	73,238	101,521	129,033
Fund balances (deficit) beginning	495,069	146,268	431,521	(22,399)	282,685	95,009	234,111		83,300	1,745,564
Fund balances (deficit) ending	<u>\$ 374,000</u>	<u>\$ 148,731</u>	<u>\$ 421,841</u>	<u>\$ (55,655)</u>	<u>\$ 250,914</u>	<u>\$ 82,584</u>	<u>\$ 394,123</u>	<u>\$ 73,238</u>	<u>\$ 184,821</u>	<u>\$ 1,874,597</u>

(Continued)

**CITY OF FRANKLIN, WISCONSIN
COMBINING SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES IN
FUND BALANCES – NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2022**

	Capital Projects Funds						Total Capital Projects Funds	Total Nonmajor Governmental Funds
	Capital Outlay Fund	Equipment Replacement Fund	Capital Improvement Fund	Street Improvement Fund	Utility Improvement Fund	Development Fund		
REVENUE								
Taxes	\$ 53,300						\$ 53,300	\$ 1,720,184
Intergovernmental revenue	5,232			1,190,000			1,195,232	2,018,296
Licenses and permits								40,814
Public charges for services	1,078,547	696,860	77,430	232,290			2,085,127	4,246,677
Special assessments					110,516	2,532,513	2,643,029	2,643,029
Investment earnings (loss)	21,129	12,426	51,278	7,810	42,869	135,882	271,394	302,772
Miscellaneous revenue	29,200		86,000			3,265	118,465	299,702
Total revenue	<u>1,187,408</u>	<u>709,286</u>	<u>214,708</u>	<u>1,430,100</u>	<u>153,385</u>	<u>2,671,660</u>	<u>6,366,547</u>	<u>11,271,474</u>
EXPENDITURES								
Current								
General government						5,925	5,925	7,410
Public safety								121,038
Public works			14,032				14,032	2,134,669
Health and human services								516,772
Culture and recreation			1,748				1,748	1,663,548
Conservation and development								162,579
Capital outlay	638,557	1,963,077	2,375,865	1,154,053		1,491	6,133,043	6,330,626
Debt service								
Debt issuance costs								
Total expenditures	<u>638,557</u>	<u>1,963,077</u>	<u>2,391,645</u>	<u>1,154,053</u>		<u>7,416</u>	<u>6,154,748</u>	<u>10,936,642</u>
Excess (deficiency) of revenue over expenditures	<u>548,851</u>	<u>(1,253,791)</u>	<u>(2,176,937)</u>	<u>276,047</u>	<u>153,385</u>	<u>2,664,244</u>	<u>211,799</u>	<u>334,832</u>
OTHER FINANCING SOURCES (USES)								
Sale of capital assets	2,488	22,095					24,583	24,583
Transfers in	18,000						18,000	42,000
Transfers out						(288,578)	(288,578)	(306,578)
General obligation debt issued								
Premium on debt issued								
Total other financing sources (uses)	<u>20,488</u>	<u>22,095</u>				<u>(288,578)</u>	<u>(245,995)</u>	<u>(239,995)</u>
Net change in fund balances	569,339	(1,231,696)	(2,176,937)	276,047	153,385	2,375,666	(34,196)	94,837
Fund balances (deficit) beginning	<u>1,004,798</u>	<u>2,230,217</u>	<u>3,140,440</u>	<u>940,163</u>	<u>2,495,759</u>	<u>9,139,670</u>	<u>18,951,047</u>	<u>20,696,611</u>
Fund balances (deficit) - ending	<u>\$ 1,574,137</u>	<u>\$ 998,521</u>	<u>\$ 963,503</u>	<u>\$ 1,216,210</u>	<u>\$ 2,649,144</u>	<u>\$ 11,515,336</u>	<u>\$ 18,916,851</u>	<u>\$ 20,791,448</u>

(Concluded)

**CITY OF FRANKLIN, WISCONSIN
TIF DISTRICTS FUND – COMBINING BALANCE SHEET
DECEMBER 31, 2022**

	Northwestern Mutual District #3	Ascension Hospital District #4	Ballpark Commons District #5	Loomis & Ryan District #6	Velo Village District #7	Business Park Overlay	Total
ASSETS							
Cash and investments	\$ 3 001 599	\$ 1 965 502	\$ 1 510 086	\$ 237 306	\$ 9 360 102	\$	\$ 16 074 595
Receivables							
Taxes receivable				-			
Total assets	<u>\$ 3 001 599</u>	<u>\$ 1 965 502</u>	<u>\$ 1 510 086</u>	<u>\$ 237 306</u>	<u>\$ 9 360 102</u>	<u>\$ -</u>	<u>\$ 16 074 595</u>
LIABILITIES AND FUND BALANCES							
LIABILITIES							
Accounts payable	\$ 1 976 266	\$	\$ 81	\$ 9 155	\$ 45	\$ 161 150	\$ 2 146 697
Due to other funds			-	415 524		911 433	1 326 957
Advances from other funds		-	-		1 500 000		1 500 000
Total liabilities	<u>1 976 266</u>	<u>-</u>	<u>81</u>	<u>424 679</u>	<u>1 500 045</u>	<u>1 072 583</u>	<u>4 973 654</u>
DEFERRED INFLOWS OF RESOURCES							
Subsequent year tax levy		1 126 690	1 094 021	58 702	739 722	204 026	3 223 161
Total deferred inflows of resources		<u>1,126,690</u>	<u>1,094,021</u>	<u>58,702</u>	<u>739,722</u>	<u>204,026</u>	<u>3,223,161</u>
FUND BALANCES (DEFICIT)							
Restricted	1 025 333	838 812	415 984		7 120 335		9 400 464
Unassigned		-		(246 075)		(1 276 609)	(1 522 684)
Total fund balances (deficit)	<u>1 025 333</u>	<u>838 812</u>	<u>415 984</u>	<u>(246 075)</u>	<u>7 120 335</u>	<u>(1 276 609)</u>	<u>7 877 780</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 3 001 599</u>	<u>\$ 1 965 502</u>	<u>\$ 1 510 086</u>	<u>\$ 237 306</u>	<u>\$ 9 360 102</u>	<u>\$ -</u>	<u>\$ 16 074 595</u>

CITY OF FRANKLIN, WISCONSIN
TIF DISTRICTS FUND – COMBINING SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES
YEAR ENDED DECEMBER 31, 2022

	Northwestern Mutual District #3	Ascension Hospital District #4	Ballpark Commons District #5	Loomis & Ryan District #6	Velo Village District #7	Business Park Overlay	Total
REVENUE							
Taxes	\$ 1 757 899	\$ 1 256 922	\$ 1 189 259	\$ 322 491	\$ 431 370	\$ 85 264	\$ 5 043 205
Intergovernmental revenue	510 053	53 732	12 883			-	576 668
Investment earnings (loss)	45 829	12 286	4 335	13 213	6 748	55 085	137 496
Miscellaneous revenue		4 352	209 956		7 434 580		7 648 888
Total revenue	<u>2 313 781</u>	<u>1 327 292</u>	<u>1 416 433</u>	<u>335 704</u>	<u>7 872 698</u>	<u>140 349</u>	<u>13 406 257</u>
EXPENDITURES							
Current:							
General government	5 746	6 186	9 096	48 145	16 144	29 804	115 121
Public Works	-	11 416	-	11 000		619 986	642 402
Conservation and development	1 976 266	-	-	21 150	459 000	780 000	3 236 416
Capital outlay		1 117	65 332	87 595	155 083	3 228 922	3 538 049
Debt service							
Principal	985 000		710 000	160 000	-		1 855 000
Interest and fiscal charges	26 545	9 375	690 145	263 053	153 305	57 176	1 199 599
Total expenditures	<u>2 993 557</u>	<u>28 094</u>	<u>1 474 573</u>	<u>590 943</u>	<u>783 532</u>	<u>4 715 888</u>	<u>10 586 587</u>
Excess (deficiency) of revenue over expenditures	<u>(679 776)</u>	<u>1 299 198</u>	<u>(58 140)</u>	<u>(255 239)</u>	<u>7 089 166</u>	<u>(4 575 539)</u>	<u>2 819 670</u>
Net changes in fund balances	<u>(679 776)</u>	<u>1 299 198</u>	<u>(58 140)</u>	<u>(255 239)</u>	<u>7 089 166</u>	<u>(4 575 539)</u>	<u>2 819 670</u>
Fund balances (deficit) - beginning	<u>1 705 109</u>	<u>(460 386)</u>	<u>474 124</u>	<u>9 164</u>	<u>31 169</u>	<u>3 298 930</u>	<u>5 058 110</u>
Fund balances (deficit) - ending	<u>\$ 1 025 333</u>	<u>\$ 838 812</u>	<u>\$ 415 984</u>	<u>\$ (246 075)</u>	<u>\$ 7 120 335</u>	<u>\$ (1 276 609)</u>	<u>\$ 7 877 780</u>

CITY OF FRANKLIN, WISCONSIN
STATEMENT OF FIDUCIARY NET POSITION – EMPLOYEE BENEFIT TRUST FUNDS
DECEMBER 31, 2022

	City of Franklin Defined Benefit Retirement Income Plan	City of Franklin Post Employment Benefits Trust	Total Employee Benefit Trust Funds
Assets			
Cash	\$ -	\$ 350,354	\$ 350,354
Investments			
Fixed Income Securities	3,414,490	2,221,788	5,636,278
Domestic Equities	5,669,281	5,017,783	10,687,064
International Equities	<u>1,507,029</u>	<u>-</u>	<u>1,507,029</u>
Total Investments	10,590,800	7,239,571	17,830,371
Accounts Receivable	<u>-</u>	<u>1,399</u>	<u>1,399</u>
Total assets	<u><u>\$ 10,590,800</u></u>	<u><u>\$ 7,591,324</u></u>	<u><u>\$ 18,182,124</u></u>
Liabilities			
Accounts payable	<u>\$ -</u>	<u>\$ 60,000</u>	<u>\$ 60,000</u>
Net Position			
Restricted for employee benefits	<u>10,590,800</u>	<u>7,531,324</u>	<u>18,122,124</u>
Total liabilities and net position	<u><u>\$ 10,590,800</u></u>	<u><u>\$ 7,591,324</u></u>	<u><u>\$ 18,182,124</u></u>

**CITY OF FRANKLIN, WISCONSIN
STATEMENT OF CHANGES IN FIDUCIARY
NET POSITION – EMPLOYEE BENEFIT TRUST FUNDS
DECEMBER 31, 2022**

	City of Franklin Defined Benefit Retirement Income Plan	City of Franklin Post Employment Benefits Trust	Total Employee Benefit Trust Funds
Additions			
Contributions			
City of Franklin	\$ 192,000	\$ 177,125	\$ 369,125
Retirees	-	178,420	178,420
Net investment earnings (losses)	<u>(2,156,158)</u>	<u>(1,164,621)</u>	<u>(3,320,779)</u>
Total additions	<u>(1,964,158)</u>	<u>(809,076)</u>	<u>(2,773,234)</u>
Deductions			
Incurring claims	623,320	460,706	1,084,026
Prescription drug claims	-	111,623	111,623
Claims fees	32,797	34,233	67,030
Stop loss premiums less claims received	<u>-</u>	<u>103,153</u>	<u>103,153</u>
Total deductions	<u>656,117</u>	<u>709,715</u>	<u>1,365,832</u>
Changes in net position	(2,620,275)	(1,518,791)	(4,139,066)
Net Position, Beginning of Year	<u>13,211,075</u>	<u>9,050,115</u>	<u>22,261,190</u>
Net Position, End of Year	<u>\$ 10,590,800</u>	<u>\$ 7,531,324</u>	<u>\$ 18,122,124</u>



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<p style="text-align: center;">APPROVAL</p> <p style="text-align: center;"><i>[Signature]</i></p>	<p style="text-align: center;">REQUEST FOR COUNCIL ACTION</p>	<p style="text-align: center;">MEETING DATE 10/3/2023</p>
<p style="text-align: center;">REPORTS & RECOMMENDATIONS</p>	<p style="text-align: center;">Authorize \$10,000 for General Planning Services Provided by MDROffers Consulting</p>	<p style="text-align: center;">ITEM NUMBER G.8.</p>

Background

The City Development staff requests Common Council authorization for a \$10,000 budget for planning services by MDROffers Consulting. These services encompass reviewing site plans, landscaping, lighting, architectural plans, certified survey maps, and staffing boards or commissions as required, along with other plans related to applications submitted to the City Development Department.

FISCAL IMPACT

A budget amendment is requested to allocate \$10,000 to Other Professional Services account 01-0621-5219 from the General Fund balance.

COUNCIL ACTION REQUESTED

Motion to Authorize a budget amendment of \$10,000 for General Planning Services with MDROffers Consulting.

Mayor

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<p style="text-align: center;">APPROVAL</p> <p style="text-align: center;"><i>JH</i></p>	<p style="text-align: center;">REQUEST FOR COUNCIL ACTION</p>	<p style="text-align: center;">MEETING DATE</p> <p style="text-align: center;">October 3, 2023</p>
<p style="text-align: center;">REPORTS & RECOMMENDATIONS</p>	<p style="text-align: center;">An Ordinance to Amend Ordinance 2022-2521, an Ordinance Adopting the 2023 Annual Budget for the General Fund to Provide Additional \$10,000 Appropriations for Consulting Services in the Planning Department</p>	<p style="text-align: center;">ITEM NUMBER</p> <p style="text-align: center;">G.9.</p>

BACKGROUND

The Planning Department is experiencing staffing challenges in which projects are being delayed. Additional consulting services are needed to help manage and maintain the increased number of projects coming through the Planning Department. The City of Franklin has continued growth and the Planning Department is an integral part of the development process.

ANALYSIS

This budget amendment is needed to help facilitate the workflow and project capacity in the Planning Department.

RECOMMENDATION

Staff recommends that the attached proposed budget amendment could be adopted providing for an additional \$10,000 appropriation for consulting services for the Planning Department from fund balance to provide the necessary appropriations. Sufficient fund balance exists to support this change.

COUNCIL ACTION REQUESTED

Motion to adopt Ordinance No. 2023-____, an Ordinance to amend Ordinance 2022-2521, an Ordinance Adopting the 2023 Annual Budget for the General Fund to Provide Additional \$10,000 Appropriations for Consulting Services in the Planning Department.

Roll Call Vote Required.

Finance-DB

STATE OF WISCONSIN : CITY OF FRANKLIN : MILWAUKEE COUNTY

ORDINANCE NO. 2023-_____

AN ORDINANCE TO AMEND ORDINANCE 2022-2521, AN ORDINANCE ADOPTING THE 2023 ANNUAL BUDGET FOR THE GENERAL FUND TO PROVIDE ADDITIONAL \$10,000 APPROPRIATIONS FOR CONSULTING SERVICES IN THE PLANNING DEPARTMENT

WHEREAS, the Common Council of the City of Franklin adopted the 2023 Annual Budgets for the City of Franklin on November 15, 2022;

WHEREAS, the Planning Department has been experiencing staffing challenges; and

WHEREAS, projects being presented to the City of Franklin’s Planning Department are continuing to be delayed; and

WHEREAS, the City of Franklin continues to see development growth which requires project management; and

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

Section 1 That the 2023 Budget for the General Fund be amended as follows:

General Fund			
Planning	Consulting Services	Increase	\$10,000

Section 2 Pursuant to §65.90(5)(ar), Wis. Stats., the City Clerk is directed to post a notice of this budget amendment within fifteen days of adoption of this Ordinance on the City’s website.

Section 3 The terms and provisions of this ordinance are severable. Should any term or provision of this ordinance be found to be invalid by a court of competent jurisdiction, the remaining terms and provisions shall remain in full force and effect.

Section 4 All ordinances and parts of ordinances in contravention to this ordinance are hereby repealed.

Section 5 This ordinance shall take effect and be in force from and after its passage and publication.

Passed and adopted at a regular meeting of the Common Council of the City of Franklin this ____ day of _____, 2023.

APPROVED:

John R Nelson, Mayor

ATTEST:

Karen L. Kastenson, City Clerk

AYES _____ NOES _____ ABSENT _____

<p style="text-align: center;">APPROVAL</p> <p style="text-align: center;"><i>JK</i></p>	<p style="text-align: center;">REQUEST FOR COUNCIL ACTION</p>	<p style="text-align: center;">MEETING DATE 10/3/2023</p>
<p style="text-align: center;">REPORTS & RECOMMENDATIONS</p>	<p style="text-align: center;">An Ordinance to Amend Ordinance 2022-2521, an Ordinance Adopting the 2023 Annual Budget for the General Fund to Provide Additional \$9,500 Appropriations for a Part-Time Planner</p>	<p style="text-align: center;">ITEM NUMBER G.10.</p>

BACKGROUND

The Planning Department is currently understaffed, and to address this issue, a former City of Franklin employee has generously offered part-time assistance at a significantly reduced rate compared to his consulting rate. On September 19, 2023, the Common Council approved carrying forward outstanding purchase orders from 2022 for Wrayburn Consulting, totaling \$9,500. As this former employee is the consultant for Wrayburn Consulting, the Planning Department seeks Common Council approval to amend the budget, reallocating the funds approved on September 19, 2023, for consulting services to the Part-Time Wages and FICA accounts.

ANALYSIS

This budget amendment is needed to help facilitate the workflow and project capacity in the Planning Department. The breakdown is as follows:

01-0621-5113	Salaries-PT	\$8,825
01-0621-5151	FICA	\$675

The Finance Department projects the Planning Department Personnel Costs will be under budget for 2023.

RECOMMENDATION

Staff recommends adopting the attached proposed budget amendment, providing for an adjustment totaling \$9,500 from consulting services for the Planning Department to staff a Part-Time Employee.

COUNCIL ACTION REQUESTED

Motion to adopt Ordinance No. 2023-____, an Ordinance to amend Ordinance 2022-2521, an Ordinance Adopting the 2023 Annual Budget for the General Fund to Provide Additional \$9,500 Appropriations for a Part-Time Planner at an hourly rate of \$46.

Roll Call Vote Required.

STATE OF WISCONSIN : CITY OF FRANKLIN : MILWAUKEE COUNTY

ORDINANCE NO. 2023-_____

AN ORDINANCE TO AMEND ORDINANCE 2022-2521, AN ORDINANCE ADOPTING THE 2023 ANNUAL BUDGET FOR THE GENERAL FUND TO PROVIDE ADDITIONAL \$9,500 APPROPRIATIONS FOR A PART-TIME PRINCIPAL PLANNER

WHEREAS, the Common Council of the City of Franklin adopted the 2023 Annual Budgets for the City of Franklin on November 15, 2022;

WHEREAS, the Planning Department has been experiencing staffing challenges; and

WHEREAS, projects being presented to the City of Franklin’s Planning Department are continuing to be delayed; and

WHEREAS, the City of Franklin has previously approved the carryforward of an outstanding 2022 purchase order for Wrayburn Consulting, LLC on September 19, 2023,

WHEREAS, the Planning Department is seeking approval from Common Council to move monies to the part-time employee and FICA accounts; and

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

Section 1 That the 2023 Budget for the General Fund be amended as follows:

General Fund			
Planning	Consulting Services	Decrease	\$9,500
Planning	Salaries-PT	Increase	\$8,825
Planning	FICA	Increase	\$675

Section 2 Pursuant to §65.90(5)(ar), Wis. Stats., the City Clerk is directed to post a notice of this budget amendment within fifteen days of adoption of this Ordinance on the City’s website.

Section 3 The terms and provisions of this ordinance are severable. Should any term or provision of this ordinance be found to be invalid by a court of competent jurisdiction, the remaining terms and provisions shall remain in full force and effect.

Section 4 All ordinances and parts of ordinances in contravention to this ordinance are hereby repealed.

Section 5 This ordinance shall take effect and be in force from and after its passage and publication.

Passed and adopted at a regular meeting of the Common Council of the City of Franklin
this _____ day of _____, 2023.

APPROVED:

John R Nelson, Mayor

ATTEST:

Karen L. Kastenson, City Clerk

AYES _____ NOES _____ ABSENT _____ .

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<p style="text-align: center;">APPROVAL</p> <p style="text-align: center;"><i>H</i></p>	<p style="text-align: center;">REQUEST FOR COUNCIL ACTION</p>	<p style="text-align: center;">MEETING DATE</p> <p style="text-align: center;">10/3/2023</p>
<p style="text-align: center;">REPORTS & RECOMMENDATIONS</p>	<p style="text-align: center;">Rescind the Motion to Authorize a Consulting Services Agreement with Wrayburn Consulting, LLC, Adopted on September 19, 2023, and In Place of the Approved Agreement, Approve the Hiring of Nicholas Fuchs as a Part-time Planner</p>	<p style="text-align: center;">ITEM NUMBER</p> <p style="text-align: center;"><i>G.11.</i></p>

BACKGROUND

Our Planning Department is currently understaffed, facing numerous upcoming projects. To address this, Nicholas Fuchs (Nick), a former employee turned consultant, has offered part-time assistance to the City. Nick will work up to 19 hours per week, primarily from his home office, but will attend meetings as needed. The City and Nick have agreed to a wage rate of \$46 per hour, at the 97th percentile of the Principal Planner salary range. Nick will not receive any City-paid benefits; however, the City of Franklin is responsible for FICA taxes. Importantly, the negotiated employee wage is less than Nick's usual consulting rate, allowing us to make the most of the approved \$9,500 agreement with Wrayburn Consulting while obtaining the required support for the planning department.

FISCAL IMPACT

We request reallocating the approved \$9,500 consulting funds from the previous Council meeting to the corresponding part-time salary and FICA accounts. Currently, consulting costs are \$125/hour, but Nick has agreed to work as a part-time employee for \$46/hour. This change represents a significant cost-saving, providing the City with more work hours from Nick as a part-time employee compared to his role as a consultant.

COUNCIL ACTION REQUESTED

Motion to Rescind the Motion to Authorize a Consulting Services Agreement with Wrayburn Consulting, LLC, Adopted on September 19, 2023, and In Place of the Agreement Approve Nicholas Fuchs's Hiring as a .48 part-time Planner at \$46/hour.

APPROVAL	REQUEST FOR COUNCIL ACTION	MEETING DATE 9/19/2023
REPORTS & RECOMMENDATIONS	Authorize a Consulting Services Agreement with Wrayburn Consulting, LLC, for General Planning Services	ITEM NUMBER D. 7.

Background

City Development staff is requesting Common Council authorization for a planning services agreement with a budget of \$10,000. Planning services include reviewing site plans, landscaping plans, lighting plans, architectural plans, certified survey maps, and other such plans that are part of or related to applications submitted to the City Development Department.

The Common Council authorized a previous agreement with Wrayburn Consulting for an equal amount at its regular meetings on November 15, 2022, and April 3, 2023. The City Development Department is seeking to enter into a new agreement due to the current reduced staffing in the Planning Department.

Note: in section VI Insurance, the minimum limits of \$1,000,000/\$2,000,000 for General/Commercial Liability and \$1,000,000 for Excess Liability, as this is an agreement for professional services, not for contractor services that normally require a minimum limit of \$2,000,000/\$4,000,000 and \$10,000,000.

FISCAL IMPACT

A budget amendment is requested to carry forward POs to cover Wrayburn consulting expenses (budgeted in 2022) from account 01-0621-5219, which currently has \$9,500 for use.

COUNCIL ACTION REQUESTED

Motion to authorize a Consulting Services Agreement with Wrayburn Consulting, LLC for general planning services; and authorize the Mayor to execute and administer the appropriate, related contract.

Mayor

APPROVAL ✕	REQUEST FOR COUNCIL ACTION	MEETING DATE 10/03/2023
REPORTS & RECOMMENDATIONS	Authorization for the Renewal of Palo Alto Annual Support & Licensing - Information Services Equipment Maintenance Outlay Budget - Account 01-0144-5242	ITEM NUMBER G-12

BACKGROUND

At City Hall and the Police Department, the City of Franklin installed two PA-820 (high-availability) firewalls in 2017. Each of the four remote offices has a single PA-220 firewall in place. In addition to basic firewall protection, the City also subscribes to a number of vital security services:

- Antivirus Inspection
- Antimalware/Spyware Inspection
- Vulnerability Detection Analytics (Wildfire)
- URL Filtering
- File Blocking

For the first three years, licensing and support were capitalized and accounted for in the project budget. After the first three years, the Information Services (IS) Equipment Maintenance (01-0144-5242) operating budget included license and support as an annual expense. For 2022, annual maintenance and support was \$20,061.84. The annual maintenance and support for 2023 is \$25,280.79. This is a 26% increase over the previous year.

FISCAL IMPACT

All functions will stop working if the licensing and support agreements are not in place. There will be no way to access the Internet. On October 5, 2023, the support agreements are scheduled to end. The IS Equipment Maintenance budget of \$34,300 was expecting the Palo Alto renewal costs to be \$19,598, as the budget was created in July and the invoices were not received until October. Due to the unanticipated increases in firewall maintenance expenses, the IS Equipment Maintenance account will run \$5,027.44 over budget.

Staff is recommending that the annual renewal be viewed as a sunken cost. The Technology Commission is recommending a new firewall platform based on Fortnet. The Palo Alto platform will be abandoned in the next 2-4 months.

HBS Palo Alto Quote #311689v2

- Annual support and licensing \$25,280.79

COUNCIL ACTION REQUESTED

Motion to authorize the expenditure of \$25,280.79 for the twelve-month annual Palo Alto maintenance and licensing. The expenditure will be posted to account 01-0144-5242.

Palo Alto Renewal - October 2023

Quote #311689 v2

Prepared For
Franklin, City of
 James Matelski
 9229 W Loomis Road
 Franklin, WI 53132

Prepared By
Milwaukee Wisconsin Area Office
 Greg Borchard
 N28 W23050 Roundy Drive Suite 200
 Pewaukee, WI 53072

Date Issued
09.27.2023
 Expires
10.21.2023

P: (414) 427-7645
 E: JMatelski@franklinwi.gov

P: 262-650-6500 ext 1222
 E: gborchard@hbs.net

Palo Alto Renewal - 1 Year	Price	Qty	Ext. Price
Serial Number: 12001004572; Renewal Coverage: 10/05/2023 - 10/05/2024			
Subscription Advanced URL Filtering, 1-year, PA-820, HA Pair Renewal	\$1,156 55	1	\$1,156 55
Advanced WildFire subscription renewal for devices in HA pair, PA-820	\$1,076 79	1	\$1,076 79
Premium support year 1 renewal, PA-820	\$981 55	1	\$981.55
Advanced Threat Prevention subscription renewal for devices in HA pair, PA-820	\$1,156 55	1	\$1,156 55
Serial Number: 12801017880; Renewal Coverage: 10/05/2023 - 10/05/2024			
Advanced WildFire subscription renewal, PA-220	\$287 14	1	\$287 14
Advanced Threat Prevention subscription renewal, PA-220	\$295 12	1	\$295 12
Subscription Advanced URL Filtering, 1-year, Renewal, PA-220	\$295 12	1	\$295 12
Premium support renewal, PA-220	\$222 62	1	\$222 62
Serial Number: 12001005303; Renewal Coverage: 10/05/2023 - 10/05/2024			
Subscription Advanced URL Filtering, 1-year, PA-820, HA Pair Renewal	\$1,156 55	1	\$1,156 55
Advanced Threat Prevention subscription renewal for devices in HA pair, PA-820	\$1,156 55	1	\$1,156 55
Global Protect subscription renewal for devices in HA pair, PA-820	\$665 37	1	\$665 37
Premium support year 1 renewal, PA-820	\$981 55	1	\$981 55
Serial Number: 12801017793; Renewal Coverage: 10/05/2023 - 10/05/2024			
Advanced WildFire subscription renewal, PA-220	\$287 14	1	\$287 14
Premium support renewal, PA-220	\$222 62	1	\$222 62
Subscription Advanced URL Filtering, 1-year, Renewal, PA-220	\$295 12	1	\$295 12
Advanced Threat Prevention subscription renewal, PA-220	\$295 12	1	\$295 12
Serial Number: 12801018166; Renewal Coverage: 10/05/2023 - 10/05/2024			
Subscription Advanced URL Filtering, 1-year, Renewal, PA-220	\$295 12	1	\$295 12
Premium support renewal, PA-220	\$222 62	1	\$222 62
Advanced Threat Prevention subscription renewal, PA-220	\$295 12	1	\$295 12
Advanced WildFire subscription renewal, PA-220	\$287 14	1	\$287 14
Serial Number: 12801017899; Renewal Coverage: 10/05/2023 - 10/05/2024			
Subscription Advanced URL Filtering, 1-year, Renewal, PA-220	\$295 12	1	\$295 12

Palo Alto Renewal - 1 Year	Price	Qty	Ext. Price
Advanced Threat Prevention subscription renewal, PA-220	\$295 12	1	\$295 12
Premium support renewal, PA-220	\$222 62	1	\$222 62
Advanced WildFire subscription renewal, PA-220	\$287.14	1	\$287 14
Serial Number: 12001004660; Renewal Coverage: 10/05/2023 - 10/05/2024			
Subscription Advanced URL Filtering, 1-year, PA-820, HA Pair Renewal	\$1,156 55	1	\$1,156 55
Premium support year 1 renewal, PA-820	\$981 55	1	\$981 55
Advanced WildFire subscription renewal for devices in HA pair, PA-820	\$1,076 79	1	\$1,076 79
Advanced Threat Prevention subscription renewal for devices in HA pair, PA-820	\$1,156 55	1	\$1,156 55
Serial Number: 12001004615; Renewal Coverage: 10/05/2023 - 10/05/2024			
Global Protect subscription renewal for devices in HA pair, PA-820	\$665 37	1	\$665 37
Advanced Threat Prevention subscription renewal for devices in HA pair, PA-820	\$1,156 55	1	\$1,156 55
Premium support year 1 renewal, PA-820	\$981 55	1	\$981 55
Subscription Advanced URL Filtering, 1-year, PA-820, HA Pair Renewal	\$1,156 55	1	\$1,156 55
Advanced WildFire subscription renewal for devices in HA pair, PA-820	\$1,076 79	1	\$1,076 79
Serial Number: 702189725; Renewal Coverage: 10/05/2023 - 10/05/2024			
Premium support renewal, Panorama 25 devices	\$2,064 29	1	\$2,064.29
Serial Number: 12001005303; Renewal Coverage: 10/05/2023 - 10/05/2024			
Advanced WildFire subscription renewal for devices in HA pair, PA-820	\$1,076 79	1	\$1,076 79
***Premium support and subscriptions may be transferred to new hardware and software purchased on a pro-rated basis ***			
Subtotal			\$25,280.79

Quote Summary	Amount
Palo Alto Renewal - 1 Year	\$25,280 79
Total	\$25,280.79

"This quote may not include applicable sales tax, shipping, handling and/or delivery charges. Final applicable sales tax, shipping, handling and/or delivery charges are calculated and applied at invoice. The above prices are for hardware/software only and do not include delivery setup or installation by Heartland ("HBS") unless otherwise noted. Installation by HBS is available at our regular hourly rates or pursuant to a prepaid HBSFlex Agreement. This configuration is presented for convenience only. HBS is not responsible for typographical or other errors/omissions regarding prices or other information. Prices and configurations are subject to change without notice. HBS may modify or cancel this quote if the pricing is impacted by a tariff. A 15% restocking fee will be charged on any returned part. Customer is responsible for all costs associated with return of product and a \$25.00 processing fee. No returns are accepted by HBS without prior written approval. This quote expressly limits acceptance to the terms of this quote and HBS disclaims any additional terms. Customer may issue a purchase order for administrative purposes only. By providing your "E-Signature" you acknowledge that your electronic signature is the legal equivalent of your manual signature and you warrant that you have express authority to execute this agreement and legally bind your organization to this proposal and all attached documents. Any purchase that the customer makes from HBS is governed by HBS Standard Terms and Conditions ("ST&Cs") located at <http://www.hbs.net/standard-terms-and-conditions>, which are incorporated herein by reference. The ST&Cs are subject to change. When a new order is placed, the ST&Cs on the above-stated website at that time shall apply. If customer has signed HBS ST&Cs version 2020.v1 0 or later or the parties have executed a current master services agreement, the signed agreement shall supersede the version on the website. Certain purchases also require customer to be bound by end user terms and conditions. A list of end user terms and conditions related to various manufacturers and vendors is set forth at <https://www.hbs.net/End-User-Agreements>. Any purchase that customer makes is also governed by the applicable end user terms and conditions, which are incorporated herein by reference. If customer has questions about whether end user terms and conditions apply to a purchase, customer shall contact HBS. Any order(s) that exceeds the credit limit assigned by HBS shall require upfront payment from customer in an amount determined by HBS. HBS shall make this determination at the time of the order unless customer has previously submitted the required onboarding paperwork. In such event, HBS shall make this determination at the time of quoting. QT.2023.v1 0"

Acceptance
Milwaukee Wisconsin Area Office
Franklin, City of

Greg Borchard

Signature / Name

09/27/2023

Signature / Name

Initials

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APPROVAL JK	REQUEST FOR COUNCIL ACTION	MEETING DATE 10/03/2023
REPORTS & RECOMMENDATIONS	Authorize \$62,202.65 for Trenching and Fiber Relocation Change Orders for the Fiber Optic WAN Project - Account 46-0181-5846.9650	ITEM NUMBER G.13.

Background

The Common Council approved a motion to approve the Fiber Internet Construction Project for the City of Franklin Municipal Business Operations in an amount not to exceed 1,371,200. On August 1, 2023 the Council authorized an additional \$275,000 for the purchase of firewalls and WAN equipment, increasing the total budget to not exceed \$1,646,200. Turnkey Network Solution was selected as the fiber optic trenching and installation vendor. The estimated cost of trenching and installing the fiber optic cabling is \$961,819.64. A contingency budget of \$228,813.17 was established within the funding to account for unexpected events and change orders. The following Turnkey change orders have been presented to IT and Engineering:

Change Order 2023-2078: \$22,591.71

Install 10,000 feet of tracer wire in the 60th and Ryan Road ducts, as no tracer wire existed in the conduit owned by Waukesha Water Utility.

Change Order 2023-2270: \$2,379.00

Perform an additional 150' of directional boring at the Airways Water Utility facility due to moving of hand holds.

Change Order 2023-2299: \$2,309.85

Install missing hand holds at Ryan Road and 60th Street. These were indicated on the Waukesha Water Utility conduit diagram, but never installed by Cablecom. The hand holds are necessary in order to run the fiber through the existing conduit.

Change Order 2023-2246: \$1,297.92

Install hand hold at W. Drexel Avenue and Schlueter Parkway, as this was never installed with the fiber optic cabling going to the Franklin Public Library.

Change Order 2023-2272: \$22,853.33.

The original trenching plan placed the core bore into the Franklin School District Office on the west side of the building. A new additional (wing) to the building has been planned, original fiber entry point into the building had to be relocated. Both the City of Franklin and Franklin Public School fiber optic cables will be relocated to terminate on the north wall, which will require the school system's cabling be re-pulled and terminated into a different section of the building.

Change Order 2023-2239: \$10,770.84

Change the entry point location for City of Franklin into the District Office from the entry point on the west side of the building to the north side.

Total Requested Change Orders \$62,202 65

Fiscal Impact

The Franklin Public School District may pay for the \$22,853.33 cost of relocating the fibers to the north wall of the district building. Staff is requesting permission to include this expense as part of the budget, in the event that the funding request is not authorized by the School Board.

The City of Waukesha is being billed for the \$22,591.71 of tracer wire that CableCom did not install within their conduit. Staff is requesting permission to include this expense as part of the budget, in the event that the funding request is not authorized by the Waukesha Water Utility.

Current and Future Project Costs: (Allocated \$1,646,200)

- | | |
|--|-----------|
| • Turnkey Fiber Optic Trenching & Installation | \$961,819 |
| • MCE Technical Analysis & Project Management | \$180,567 |
| • Project Contingency | \$228,813 |
| • (Estimate) Firewalls & WAN Routers | \$275,000 |

COUNCIL ACTION REQUESTED

Motion to authorize the expenditure of \$62,202.65 for trenching and fiber relocation change orders, American Rescue Plan Act Funding to account 46-0181-5846.9650.



TURNKEY Network Solutions

7020 Southbelt Drive SE Caledonia, MI 49316
Toll Free. 877.376.7681 www.tkns.net

The Single Source for
All Your Telecommunications
Infrastructure Needs

To:	City Of Franklin	Contact:	
Address:	9229 W Loomis Road Franklin, WI	Phone:	
Project Name:	Fiber Optic Ring Project Additional Construction JCO	Bid Number:	2023-2078
Project Location:	Ryan & 60th, Franklin, WI	Bid Date:	8/25/2023

Scope of Work:

This change order is for placing approximately 10,000' of tracer wire in existing Waukesha duct and placing (10) flush mount test stations at existing handhole locations, along Ryan & 60th St.

Thank you for the opportunity to quote this project.

Item Description	Estimated Quantity	Unit	Total Price
Place Tracer Wire Existing Conduit	10,000.00	LF	\$15,200.00
Locate Posts	10.00	EACH	\$2,952.20
OSP Materials	1	LS	\$4,439.51
Total Bid Price:			<u>\$22,591.71</u>

Notes:

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TURNKEY Network Solutions

7020 Southbelt Drive SE Caledonia, MI 49316
Toll Free: 877.376.7681 www.tkns.net

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To:	City Of Franklin	Contact:	
Address:	9229 W Loomis Road Franklin, WI	Phone:	
Project Name:	Fiber Optic Ring Project Additional Bore	Bid Number:	2023-2270
Project Location:	60th & Airways Ave, Franklin, WI	Bid Date:	9/13/2023

Scope of Work:

This change order is for 150' of additional bore as the existing handhole at 60th St. & Airways Ave was farther south than the prints showed.

Thank you for the opportunity to quote this project.

Item Description	Total Price
Directional Boring	\$2,379.00

Total Bid Price: \$2,379.00

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ACCEPTED:

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Buyer: _____

Signature: _____

Date of Acceptance: _____

CONFIRMED:

TurnKey Network Solutions

Authorized Signature: _____

Estimator: Emily Diaz
616-916-2705 ediaz@tkns.net



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To:	City Of Franklin	Contact:	
Address:	9229 W Loomis Road Franklin, WI	Phone:	
Project Name:	Fiber Optic Ring Project HH Ryan Rd & 60th St.	Bid Number:	2023-2299
Project Location:	Franklin, WI	Bid Date:	9/19/2023

Scope of Work:

This change order is for (1) additional 24" X 36" X 36" handhole over existing Waukesha innerduct on the SE corner of W. Ryan Rd & S 60th St as the existing handhole shown on the prints is approximately 250' further south.

Thank you for the opportunity to quote this project.

Item Description	Total Price
Hand Hole Placement	\$1,297.92
OSP Materials	\$1,011.93
Total Bid Price: <u>\$2,309.85</u>	

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To:	City Of Franklin	Contact:	
Address:	9229 W Loomis Road Franklin, WI	Phone:	
Project Name:	Fiber Optic Ring Project R&R Asphalt, Add'l Bore & HH Placement	Bid Number:	2023-2246
Project Location:	Franklin, WI	Bid Date:	9/13/2023

Scope of Work.

This change order is for (1) additional handhole placement at W Drexel Ave & Schleiter Pkwy.

Thank you for the opportunity to quote this project.

Item Description	Total Price
Hand Hole Placement	\$1,297.92

Total Bid Price: \$1,297.92

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ACCEPTED:

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Buyer: _____

Signature: _____

Date of Acceptance: _____

CONFIRMED:

TurnKey Network Solutions

Authorized Signature: _____

Estimator: Emily Diaz

616-916-2705 ediaz@tkns.net



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To:	City Of Franklin	Contact:	
Address:	9229 W Loomis Road Franklin, WI	Phone:	
Project Name:	Fiber Optic Ring Project Franklin Public Schools ESC Relocation	Bid Number:	2023-2272
Project Location:	8255 W. Forest Hill Ave, Franklin, WI	Bid Date:	9/22/2023

Scope of Work

Construction, Splicing & ISP to relocate Franklin Public Schools ESC lateral for a future addition on the west side of their current building.

Place new 2" conduit via directional bore for approximately 270', create new building entrance with 10' of 2" rigid galvanized pipe, (1) 12"x12"x6" Nema 3R Pull Box, single gang box and 4' of 1/2" rigid galvanized pipe. Place 45' of new 2" EMT in drop ceiling from point of entry to server room. At the time of the cut, cut both existing 24ct & 72ct fibers from existing termination panel and pull back approximately 435' through existing EMT and 2" conduit, out to customers existing handhole. Pull both cables through new pathway, approximately 340'. Leave 30' coil on both fibers in drop ceiling near termination panel and any additional fiber is to be left in a loop in the customers existing handhole. Terminate all 96 fibers in customer existing rack mounted termination panel.

Thank you for the opportunity to quote this project.

Item Description	Total Price
Directional Boring	\$4,282.20
Building Entrance - Above Grade	\$1,586.35
ISP Installation - 2" Rigid Galvanized Steel - 10'	\$246.60
ISP Installation - 12x12x6 NEMA Pull Box	\$246.62
ISP Installation - 1/2" Rigid Galvanized Steel - 4'	\$98.64
ISP Installation - Single Gang Outlet Box	\$123.31
ISP Installation - 2" EMT - 45'	\$1,611.00
Splicing Maintenance Window Adder-Per Window	\$1,900.00
Cut & Pull Back 24ct & 72ct To Existing Handhole	\$5,018.40
Cable Placement In New Conduit (24ct & 72ct)	\$1,036.80
Splicing - Loose Tube Fiber	\$4,568.64
Fiber Testing	\$663.36
Network Documentation - Project	\$372.00
OSP Materials	\$735.89
ISP Materials	\$363.52

Total Bid Price: \$22,853.33

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To:	City Of Franklin	Contact:	
Address:	9229 W Loomis Road Franklin, WI	Phone:	
Project Name:	Fiber Optic Ring Project City Fiber Into ESC Reroute JCO	Bid Number:	2023-2239
Project Location:	Franklin, WI	Bid Date:	9/13/2023

Scope of Work.

This change order is for the additional work required for a new point of entry for City of Franklin's fiber into Franklin School ESC.

Thank you for the opportunity to quote this project.

Item Description	Total Price
Intercept Existing Conduit/Innerduct	\$144.21
Directional Boring	\$1,982.50
Building Entrance	\$1,586.35
Cable Placement In New Conduit	\$244.80
ISP Installation - 2" Rigid Galvanized Steel - 16 Feet	\$394.56
ISP Installation - 12x12x6 NEMA Pull Box	\$246.62
ISP Installation - 1/2" Rigid Galvanized Steel - 4 Feet	\$98.64
ISP Installation - Single Gang Outlet Box	\$123.31
ISP Installation - 2" EMT - 110 Feet	\$3,938.00
ISP Installation - 2" Core Drill Interior (Wall & Pull Box)	\$493.24
OSP Materials	\$694.67
ISP Materials	\$823.94

Total Bid Price: \$10,770.84

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APPROVAL ✕	REQUEST FOR COUNCIL ACTION	MEETING DATE 10/03/2023
REPORTS & RECOMMENDATIONS	<p>Authorize the Purchase and Service Contract of New Fortinet Firewalls from TPX/Cornerstone Communications for \$391,108, as a Fully Managed Security Solution - Account 46-0181-5846.9650</p> <p>The Common Council may enter closed session for this subject matter item pursuant to Wis. Stat. § 19.85(1)(d), to consider strategy for crime prevention, and the implementation of a program and policy and tools therefore for crime prevention, i.e., cyberattack prevention and technological crimes in relation thereto, for the protection of the City's technical and information infrastructure and the City officials, employees and the public who use the system, and also pursuant to Wis. Stat. § 19.85(1)(e), for competition and bargaining reasons with regard to the prevention protection program and this subject matter item, and the investing of public funds in relation thereto, and to reenter open session at the same place thereafter to act on such matters discussed therein as it deems appropriate.</p>	ITEM NUMBER G.14.

Background

On August 1, 2023 the Common Council approved a motion to increase funding of the Fiber Optic WAN project by \$275,000 for the inclusion of new firewalls and WAN routers. The budget was extended so the project is not to exceed \$1,646,200. The project changed the fundamental architecture from a hybrid hub and spoke topology to that of a fault tolerant ring. The network is designed to use dynamic routing protocols and SD-WAN to alternate carriers (Spectrum) in the event that WiscNet or a facility goes completely down. The primary goal of the project is to provide high-speed fault-tolerant Internet access to all facilities, where the firewalls are able to route around failures in the network. This requires a new architecture and modern routing protocols.

Motion to Recommend:

On September 27, 2023 the Franklin Technology Commission reviewed seven different proposals and architecture solutions for the new fiber optic network. The cost of the recommended proposal by TPX/Cornerstone Communications is \$391,108. The project deliverables as defined by the Statement of Work and project scope are as follows:

Hardware

- Maximum 10GB raw throughput
- 1 Gbps to 1.5 Gbps full inspection throughput
- 250 concurrent VPN connections
- HA for City Hall, PD (Water optional)
- NGFW – full layer 8 inspection and rule sets

Services

- Antivirus inspection
- Antimalware/spyware inspection
- Vulnerability detection analytics
- URL filtering
- File blocking
- Data blocking

Central Management Console

- Centralized configuration
- Centralized policy management & storage
- Centralized updates
- Centralized logging
- Centralized reporting & analytics
- 1 Gbps to 1.5 Gbps full inspection throughput
- 250 concurrent VPN connections
- HA for City Hall, PD (Water optional)
- NGFW – full layer 8 inspection and rule sets

Redundancy

- HA pairs – City Hall and PD
- SD-WAN on all Internet connections
- Down ISP link or firewall connection status

Routing:

- Franklin School District will be the inbound NAP for WiscNet Internet access. WiscNet is to provide the routers.
- Dynamic routing protocols will be used for Internet routing and detection of down sites on the fiber ring.
- SD-WAN will be used to detect down carrier conditions and route over secondary connections.
- Legacy OC1 connections will no longer be used for inter facility access.

The TPX/Cornerstone Communications fully managed Fortinet firewall and Meraki switch system was recommended by the Franklin Technology Commission. The yearly cost is \$30,757 greater than the best unmanaged option (\$237,322) over a five-year period, despite the fact that it is much more expensive than an unmanaged system. The whole configuration and monitoring of the managed solution will be handled by TPX, who is also in charge of patching, updating, and the functionality of all equipment.

The managed solution puts the burden and responsibility of perimeter security administration on the TPX SOC, where the devices are configured and maintained by network security experts. IT will be responsible for implementing structure change control, documenting all firewall modification requests and submitting tickets to the vendor. The vendor is then responsible for scheduling, creating, and testing the change. A fully managed solution eliminates the operational cost of submitting complex security changes to a vendor (currently HBS) for implementation, or seeking professional help when troubleshooting issues. Change and incident management is fully contained within the contract. In

the event that there is a temporary or permanent change in Franklin IT staff, management of the firewalls and WAN routers will not be impacted by staffing issues. The Technology Commission strongly recommends a managed solution to an internally managed solution.

Company Information:

TPX was originally TelePacific Communications, which was a competitive local exchange carrier (CLEC) based in California. Quickly, the organization shifted beyond telecommunications to supply other IT services based on customer demand. As the customer base and product offering grew, TPX expanded its geographic footprint beyond California. The company has a headquarters in Austin, TX and has multiple SOC2 data centers throughout the United States.

Fiscal Impact

The TPX/Cornerstone Communications proposal cost is \$391,108 and includes Fortinet 200F high availability firewalls and WAN routers at City Hall, Police Department, and the Franklin School District office. Fortinet 100F firewalls will be installed in the remote offices. Two pair of fiber connections to each firewall will provide access to the Internet via WiscNet, while two additional pairs of 10GB fibers will be used for inter-facility routing. As part of the RFP, all warranty, licensing, and support costs are included and capitalized over a period of five years.

Current and Future Project Costs: (Allocated \$1,646,200)

• Turnkey Fiber Optic Trenching & Installation	\$961,819
• MCE Technical Analysis & Project Management	\$180,567
• Project Contingency	\$228,813
• (Estimate) Firewalls & WAN Routers	\$275,000

In order to implement the solution without additional funding, \$116,108 of project funding or contingency will need to be used beyond the planned \$275,000. The project will need careful management of all change orders.

Assumptions

To fully implement SD-WAN, all Spectrum fiber optic cable installation will need to be completed prior to October 31, 2023. Supply chain and product availability issues are not expected, as current levels of product are already in stock. It is estimated that the project will take 6-8 weeks to implement after all contracts have been finalized. A change control freeze will exist from December 15, 2023 to January 15, 2024. This is a high revenue period and infrastructure changes are minimized whenever possible.

COUNCIL ACTION REQUESTED

Motion to authorize the purchase of \$391,108 for all TPX product and services as defined by the first solution within the Cornerstone Communications proposal. The managed services solution will include all hardware, warranties, licenses, and support agreements for a period of five years. The City attorney and Director of IT are authorized to make any necessary technical correction for establishing the service contract.

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<p style="text-align: center;">APPROVAL</p> <p style="text-align: center;"><i>X</i></p>	<p style="text-align: center;">REQUEST FOR COUNCIL ACTION</p>	<p style="text-align: center;">MEETING DATE</p> <p style="text-align: center;">10/03/23</p>
<p style="text-align: center;">LICENSES AND PERMITS</p>	<p style="text-align: center;">MISCELLANEOUS LICENSES</p>	<p style="text-align: center;">ITEM NUMBER</p> <p style="text-align: center;">H.</p>

See attached License Committee Meeting Minutes from the License Committee Meeting of October 3, 2023.

COUNCIL ACTION REQUESTED

Approval of the minutes of License Committee Meeting of October 3, 2023.



414-425-7500

License Committee
Agenda*
Franklin City Hall Hearing Room
9229 W. Loomis Rd
Franklin, WI
October 3, 2023 – 5:45 p.m.

1.	Call to Order & Roll Call	Time:
2.	Citizen Comment	

3. License Applications Reviewed	Recommendations
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Type/ Time	Applicant Information	Approve	Hold	Deny
Class B Beer Class B Wine Only Entertainment & Amusement 2023-2024 5:50 p.m.	DBA On Cloud Wine On Cloud Wine, LLC 10062 W Loomis Rd John "Randy" Larson, Agent			
Operator 2023-2024 New	Amy Analla Point After Pub & Grille			
Operator 2023-2024 New	Jennifer Halser Polish Center of Wisconsin			
Operator 2023-2024 New	Brian Shulta Romey's Place			
Operator 2023-2024 New	Joshua Ninabuck Hideaway Pub & Eatery			
Amendment to Public Grant for Civic Celebration Commission to Include Home for the Holidays Event	Change of Civic Celebration Commission Public Grant to Include Home for the Holidays Event Fee Waivers: Temporary Entertainment & Amusement License Date of Event: 11/25/2023 Location: Franklin City Hall, Lions Legend Park I John Bergner, Chairman of Civic Celebration Commission			
Temporary Entertainment & Amusement	Civic Celebration Committee – Home for the Holidays Event Date of Event: 11/25/2023 Location: Franklin City Hall, Lions Legend Park I Person in Charge: Mira Kresovic			
4.	Adjournment	Time:		

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

<p style="text-align: center;">APPROVAL</p> <p style="text-align: center;"><i>[Signature]</i></p>	<p style="text-align: center;">REQUEST FOR COUNCIL ACTION</p>	<p style="text-align: center;">MEETING DATE 10/3/2023</p>
<p style="text-align: center;">Bills</p>	<p style="text-align: center;">Vouchers and Payroll Approval</p>	<p style="text-align: center;">ITEM NUMBER I</p>

Attached are vouchers dated September 15, 2023 through September 28, 2023, Nos 194339 through Nos 194513 in the amount of \$ 1,132,706 69 Also included in this listing are EFT's Nos 5456 through EFT Nos 5472, Library vouchers totaling \$ 34,649 89 and Water Utility vouchers totaling \$ 13,584 68 There were no Voided checks for this period

Early release disbursements dated September 15, 2023 through September 27, 2023 in the amount of \$ 780,669 40 are provided on a separate listing and are also included in the complete disbursement listing These payments have been released as authorized under Resolutions 2013-6920, 2015-7062 and 2022-7834

The net payroll dated September 22, 2023 is \$ 479,371 70, previously estimated at \$ 460,000 Payroll deductions dated September 22, 2023 are \$ 509,456 96, previously estimated at \$ 467,000

The estimated payroll for October 6, 2023 is \$ 470,000 with estimated deductions and matching payments of \$ 245,000

COUNCIL ACTION REQUESTED

Motion approving the following

- City vouchers with an ending date of September 28, 2023 in the amount of \$ 1,132,706 69
- Payroll dated September 22, 2023 in the amount of \$ 479,371 70 and payments of the various payroll deductions in the amount of \$ 509,456 96, plus City matching payments and
- Estimated payroll dated October 6, 2023 in the amount of \$ 470,000 and payments of the various payroll deductions in the amount of \$ 245,000, plus City matching payments

ROLL CALL VOTE NEEDED

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