

**Village of Somers  
7511 12th Street  
Somers, WI 53171**

**Village Work Session Meeting  
Agenda  
Tuesday, November 7<sup>th</sup>, 2023  
5:30 p.m.**

<b>Village Board Work Session Meeting:</b>	
<b>Item #</b>	
1	Call to Order
2	Administrator's Report
3	Engineer's Report has not been received as of the time this report was prepared. Staff will provide a hard copy of the report at the meeting if received.
4	President & Trustee Reports
5	2022 Audit Presentation by Erica L. Blumberg
6	Review and discuss Core & Main Contract to update to Automated Meter Reading program and water meter replacements
7	Review of 2023 interest income earnings
8	Continued discussion possible Resolution to rescind 2022-003 and support the reopening of the North Bound left turn lane from STH 31 to 35 <sup>th</sup> Street
9	Continued Discussion on possible Request for Proposals for needs assessment for Current and Future Facilities and Fire/EMS personnel
10	Discussion regarding the replacement of Board of Trustees' iPads
11	Discuss and Review proposed Village Agreement and Consent to TID Pledge and Security Agreement for SCS Pike Creek, LLC (Savannah Project)
12	Review tentative agenda for Village Board meeting on November 14 <sup>th</sup> , 2023
13	Motion to go into closed session for the purpose of "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" pursuant to Section 19.85(1)(e), Wis. Stats. Specifically, a discussion concerning competing offers to purchase the unexpired leasehold interest owned by the Village in one or more cellular communication towers and to compare the terms of each such offer. (Roll call required)
14	Reconvene in Open Session (Roll call vote required)

15	The Village Board will not take action on items discussed in Closed Session
16	Review tentative agenda for Village Board meeting on November 14th, 2023
17	Adjourn

I hereby certify that as the designee of the chief elected official of the Village of Somers, I posted this notice of the November 7<sup>th</sup>, 2023, Village Work Session & Agenda in 1 public place & on the Village website.

Dated this 3rd day of November 2023.

Brandi Baker, Clerk-Treasurer

Requests from person with disabilities who need assistance to participate in this meeting should be made to the Clerk's Office at 262-859-2822 with as much notice as possible. **Notice is hereby given that members of the Village Board may participate telephonically. Notice is hereby given that members of the Town Board may be in attendance for the sole purpose of gathering information. A quorum may be present. However, no Board action will be taken.**



**VILLAGE OF SOMERS  
VILLAGE BOARD  
WORK SESSION ITEM MEMORANDUM**

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**WORK SESSION:** November 3<sup>rd</sup>, 2023

**TO:** Village President Stoner and Village Trustees

**FROM:** Jason J. Peters, Administrator

**AGENDA ITEM:** #2 Administrator's Report

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Below please find a bulleted summary of major issues that Administration has worked since our October 3<sup>rd</sup> Work Session:

Development

- There was no Plan Commission meeting in October.
- The Plan Commission will meet on November 13<sup>th</sup> to review the following:
  - Request by Cetta Revocable Trust/Thomas Cetta, 10101 Tarpon Dr., Treasure Island, FL 33706 (Owner), for approval of a Certified Survey Map (dated July 26, 2023 and prepared by Mark A. Bolender of Ambit Land Surveying) to create one (1) 1.49-acre Lot and one (1) 1.51-acre Lot on Tax Parcel #82-4-222-024-0181, located in the SE ¼ of Section 2, T2N, R22E, Village of Somers.
- On October 3<sup>rd</sup>, Administration and President Stoner met with two brokers from Colliers International to discuss possible developments that the Village would be interested in. We discussed opportunities for retail, restaurants, and hotels.
- On October 4<sup>th</sup> and October 17<sup>th</sup>, Administration held their monthly update calls with Tawani regarding the Pritzker Military Archive Center and the Mission 94 projects.
- On October 5<sup>th</sup>, October 12<sup>th</sup>, and October 17<sup>th</sup>, Administration, Planning, President Stoner and Trustee Nelson met with representatives from Three Leaf Partners and Landquest to discuss their proposed residential project on the Maplecrest site. On October 27<sup>th</sup> they submitted their documentation to be heard at the December Plan Commission meeting.
- On October 12<sup>th</sup>, Administration addended a pre-construction meeting with HSA contractors for their I-94 off ramp improvements. Work is being done on the northbound

off-ramp. They are adding a second eastbound right turn lane onto CTH S. Update meetings were also held on October 24<sup>th</sup> and October 31<sup>st</sup>. Work was scheduled to begin on October 23<sup>rd</sup> but was delayed to October 30<sup>th</sup> due to the weather. In early October, Staff requested that the contractor reach out to local businesses to inform them of the upcoming detours. A mailer was created and the contractor visited each suggested site to inform them of the upcoming work.

**INTERSTATE 94** **COUNTY S**

**HIGHWAY IMPROVEMENT PROJECT**

**CONSTRUCTION NOTICE**  
NB I94 Off Ramp & CTH S Intersection

**WHEN and WHAT**  
Project Construction Period: October 23, 2023 through November 17, 2023  
Lane Closure/Truck Detour starts 10/23/2023

If you have any questions about the project during construction, you may contact Project Manager Chris Palmer by phone at (847) 714-2186, or by email at Christopher.Palmer@pdbgroupp.com

**PROJECT INFORMATION**  
Improvements to the Northbound Offramp of Interstate 94 will take place beginning October 23rd. The work will involve the addition of a second right turn lane onto eastbound CTH S.  
Right turning truck traffic will be detoured during construction, while access to local residences and businesses will be maintained.

**TRUCK DETOUR ROUTE TO EB CTH S**

Truck Detour Route to EB CTH S

Right turn lane closed to EB CTH S. Cars to make right turn to EB CTH S from left lane. Right turn to EB CTH S for trucks prohibited.

Find us on Facebook at: Kenosha County Government  
Find us online at: www.kenoshacounty.org/highways

Kenosha County Government, Somers Market Square, and other local business logos.

- On October 12<sup>th</sup>, Administration and President Stoner attended a meeting with the DOT, County, Microsoft and CNG regarding work on CTH KR that will need to be completed for Microsoft’s proposed construction access and CNG’s permanent access for their natural gas filling station. DOT is requesting that the parties work together to complete the proposed improvements at the same time.
- On October 19<sup>th</sup>, Administration, Planning, and President met with a planning firm working on a potential project in Somers Market Square just South of Firestone. This project would bring a multi-tenant building anchored by a casual fast-food restaurant. Based on this conversation, we were able to speak to the franchisee on October 26<sup>th</sup> to further discuss the advantages of Somers and Kenosha County.
- On October 31<sup>st</sup>, Administration, Engineering, and Building Inspection met with representatives from HSA to prepare for their upcoming request for occupancy for their Highlands Commerce Center of Somers building on CTH S.

## Administration

- On October 3<sup>rd</sup>, the Fire Department held their annual Fire Prevention event at Somers Elementary. The new inflatable Fire Safety House was a big hit with the kids.



- In early October the Village received word from our Prosecuting Attorney that she will be stepping down at the end of the year due to time commitments outside the Village. Staff has reached out to several potential replacements and will be conducting interviews.
- On October 4<sup>th</sup>, Administration and Building Inspection held another meeting with DNR regarding our MS4 permit. This was spurred based on the issues the Savannah site had at the end of August. The DNR requested that a response letter be sent by October 18<sup>th</sup>. Our response letter was submitted on October 16<sup>th</sup>. On October 26<sup>th</sup>, the Village received word that our response letter was accepted.
- On October 6<sup>th</sup>, Administration and President Stoner met with the Sheriff's office to discuss the possible reopening of the left turn lane off of STH 31 to 35<sup>th</sup> Street.
- On October 7<sup>th</sup>, our annual electronic waste and shredding event was held at the Village Hall.
- On October 9<sup>th</sup>, Administration, Chief Andersen and Trustee Ostby met to discuss a possible RFP for a study regarding for a Fire Facilities and personnel needs assessment studies.

- On October 9<sup>th</sup>, Administration, Clerk/Treasurer Baker and Accounting Manager Ealy met with Ehlers to review the second portion of our Financial Management plan updated. The final presentation was reviewed and discussed at our October 17<sup>th</sup> Work Session.
- On October 9<sup>th</sup>, Staff held a meeting with R&R Insurance and League of Wisconsin Municipalities Mutual Insurance to discuss moving our Liability and Property insurance to their program. This was discussed at our October 17<sup>th</sup> Work Session. On October 23<sup>rd</sup>, follow up meeting to review the values included in the initial proposal. On November 2<sup>nd</sup>, another meeting was held to review the Village's options for Cyber insurance.
- On October 11<sup>th</sup>, Administration and President Stoner attended a meeting with Kenosha County Highways and their consulting engineers regarding their plans to resurface CTH E from Wood Road to Sheridan Road. This will be a 2024 project. There will be a public information meeting from 5 to 7 p.m. Thursday, Nov. 16, at the Somers Village/Town Hall.
- On October 16<sup>th</sup>, the RPF for the auditorium project was published.
- Between October 18<sup>th</sup> and October 20<sup>th</sup>, Administrator Peters and Assistant to the Administrator Poirier attend the annual League of Wisconsin Municipalities conference. They attended seminars on upcoming a Medicaid EMS Supplemental Payment program, a new Agriculture Road Improvement Project (ARIP), Applying for Grants, Community Engagement, and Development updates.
- On October 20<sup>th</sup>, the Village took possession of the new building inspector vehicle. This purchase was approved at our Special Meeting on October 17<sup>th</sup>.
- On October 23<sup>rd</sup>, Administration held is quarterly update meeting with Kenosha County IT.
- On October 24<sup>th</sup>, Administration and President Stoner met with a representative from the City of Kenosha's Police Department to review the placement of their Flock Cameras and discuss the best possible places to install our proposed cameras.
- On October 25<sup>th</sup>, Administration and President Stoner meet the new store manager for Walmart. We discussed our history with Walmart and how we could work together on the local level.
- On October 25<sup>th</sup>, Administration attended the quarterly meeting of our National Zip Code Advocacy Group. They have created a white paper that will be used to help our lobbying efforts in Congress. Somers is one of the featured communities in said white paper. On October 30<sup>th</sup>, we were informed that an amendment has been introduced by Congressman Buck from Colorado for H.R. 4664 (Financial Services and General Government Appropriations Act) that would provide \$5 million for the USPS to designate a single, unique ZIP code for Eastvale and several other cities.
- On October 26<sup>th</sup>, Highway A (Seventh Street) was closed between Highway Y (22nd Avenue) and 18th Avenue for an emergency culvert replacement.

- On October 27<sup>th</sup>, Administrator Peters was served by Walmart and Sam's Club for their lawsuit to challenge their property values.
- October 28<sup>th</sup> was National Prescription Drug Take Back Day. National Prescription Drug Take Back Day is a day of recognition held twice annually that aims to provide a safe, convenient, responsible means of disposing of prescription drugs, while also educating the public about the potential for abuse of medications. Somers Fire Department took part in this event.

**National Drug Take Back Day**  
**Saturday, October 28, 2023 - 10 a.m. to 2 p.m.**

This annual collection day provides a safe, convenient and responsible way to dispose of prescription and over-the-counter medications while also educating the general public about the potential for abuse of medications.

On Saturday, October 28, Kenosha County residents can visit locations east and west of the I to drop off unused medications, receive life-saving Narcan training and learn more about behavioral health resources and services throughout Kenosha County.

<p><b>Department of Corrections - Probation &amp; Parole Office</b>          1212 60th Street          Kenosha, WI</p>	<p><b>Kenosha County Center</b>          19600 75th Street (cold storage garage)          Bristol, WI          (Look for the highway sign)</p>
<p><b>Pleasant Prairie Police Department</b>          8600 Green Bay Road          Pleasant Prairie, WI</p>	<p><b>Somers Fire Department</b>          7511 12th Street          Kenosha, WI</p>

**What is accepted:**  
 Prescription (controlled and non-controlled) and over-the-counter (OTC) medications, ointments, patches, inhaler, non-aerosol spray, creams, vials and pet medications. Vape pens or other e-cigarette devices (batteries removed).

**NOT accepted:**  
 Illegal drugs, needles/sharps, acids, aerosol cans, bio-hazardous materials (anything containing a bodily fluid or blood), personal care products (shampoo, soaps, lotions, sunscreens), household hazardous waste (paint, pesticides, oil, gas) mercury thermometers.

# Development Pipeline

Last updated: 11/03/2023

Name of Developer	Type of Development (Residential, Commercial, Industrial, Mixed Use)	Location	Date Engaged	Pre-Deve. Agree.	Current Zoning	Requested Zoning	Current Comp Plan	Comp Plan Requested	Neighbor. Plan	CSM or Plat	Public Improv. Needed	Est. Improv. Costs	Acres	Current Value	Est. Value	Build Out Year	Year Full Assessed on Tax Roll	TIF Dist.	Requested Assistance	Proposed Assistance	Assistance Committed	Plan Comm. Date	Board Final Approval	Devel. Agree. Date	Comp Plan Ord	NOTES
Akil Ajmeri 3308 Green Bay Road	Multi-Tenant Commercial Building w/ Ayra Liquor Store as anchor	Somers Market north of Jiffy Lube	1/7/2021	No	A-1	B-3	Commercial	Commercial	Southeast	No	No		0.95	\$375,000		2021	2022	2	N/A	N/A	N/A	3/8/2021 Concept				03/21 Plan Commission Meeting heard concept 02/22 Met w/ Developer, moving forward pending easement with RCG 08/23 Received call regarding possible new development
Bear Development Willow Creek	Multi-Family Townhouse Single Family	Hwy E by lift station	8/23/2018	Yes	R-9 A-2 C-1		High Density Residential Secondary Environmental Other Conservancy Land Non-farmed Wetland Street & Highway ROW		Somers Center East		Road Water Sewer		40.54	\$11,500				4								10/8/2018 Conceptual Presented to Plan Commission 01/2019 Bear updating plan, will come back to Plan Commission 04/2019 Bear has new plan & working with administration to bring to Plan Commission 05/2019 Met with Bear & Root Pike Win, TID 4 amendments to be made so 35% rule is followed 6/2019 TID 4 amends will go to JRB, Plan Commission & Board in July 19
Becknell	Industrial/Warehouse	East Frontage	Spring 21	Yes	A-1	BP-1	Business/Industrial Secondary Environmental Other Conservancy	No	Kilborn	Yes	Road Water Sewer	\$800,000	132.1	\$294,600	\$60,000,000	Phase I 2022	Phase I 2023	6 3	Yes, offSite water main	\$460,000	\$460,000	9/13/201	09/28/2021 Comp, Zoning, Site 11/09/2021 DA	10/8/2021	N/A	4/21 Introductory meeting 7/21 Submitted materials 8/21 Weekly meetings regarding possible development agreement 09/13 Plan Commission Approved 9/28 Board Approved 10/05 Board will review DA 11/21 DA Approved 12/21 DA Executed by Village being recorded 06/22 Watermain should be completed in June 9/22 Building is completely vertical 03/23 Occupancy Granted, staff met with developer for Phase II
Bobcat Plus	Bobcat Dealership	Somers Expansion Area (West of 94)	Fall 2021	Yes	R-2 Paris	B-3	Commercial	Commercial	N/A IGA	Yes	Sewer Water		4.32	\$202,000		2023	2024	N/A	N/A	N/A	N/A	IGA Concept 8/8/2022  IGA Meeting 10/10/2022  Plan Commission 10/10/2022	10/25/2022	5/24/2023	N/A	9/21 1st intro meeting. Submitted letter requesting review by IGA 8/22 IGA Committee heard concept 9/22 Filed for Plan Commission meeting 10/22 Approved by IGA and Conditionally Approved by Board 12/22 Waiting for Final Plans submitting 02/23 Updated plans submitted 4/23 Waiting for final exhibitbs for DA 06/2023 Grading has begun 8/23 Walls are vertical. Bids for public utilities recieved
Blue Paint Development, LLC	Multi-Family	743 -769 Sheridan Road	Off & On Conversations since 2018	Yes	B-3	R-11, C-1 & PUD overlay	High-Density Res., PE	High-Density Res., PEC	Lakeshore	N/A	N/A	N/A	5.57	\$724,000	\$27,000,000	2021	2022	N/A	N/A	N/A	N/A	Concept 5/11/2020 7/12/2021 9/13/2021 Concept 06/12/2023	09/28/2021 Zoning, Site	8/3/2022	N/A	04/20 Have had discussions with Developer over the past few years, suggested that he bring a concept to Plan Commission. Concept will be heard at 5/11/2020 PC 06/20 Developer held community meeting 12/20 Project has gone dormant, have not heard from Developer 04/21 received call from developer will be pursuing the project 05/21 Predevelopers executed, meeting with Developer, will be submitting for Plan Commission 07/21 Plan Commission recommendation to deny 07/21 Board Reviewed voted to deny 07/21 resubmitted alternate plan for Sept Plan Commission 09/13 Plan Commission Approved 9/28 Board Approved 9/28 Will need final engineering & DA 12/21 Draft of DA given to Developer 02/22 Updated exhibits submitted 03/22 DA will on April Agenda for Approval 4/22 Board approved DA 7/22 DA executed by Village 08/22 DA Recorded 3/23 Meeting w/ developer on status of project 6/23 New concept for condo style single family homes

																									11/21 Board reviewed billboard regulations due to Adams outdoor sign on property 3/22 Submitted Plans for May PC 6/22 Will be on June agenda for approval 7/22 will be resubmitting project to add parcel to the East. 8/22 Resubmitted for Sept Plan Commission 9/22 Plan Commission approval, Board Review, Board Approved 12/22 DA Executed & Building Permits Issued 4/23 Building is about 50% complete 8/23 building nearing completion	
Carthage College	Maintenance Facility Building	17th Street	10/1/2021	Yes	R-10	I-1	Medium Density Residential	Government & Institutional	Lakeshore	YES	N/A	N/A	1.3	\$302,000		2023		N/A	N/A	N/A	N/A	5/9/2022 9/12/2022	6/14/2022 9/27/2022	11/29/2022	2023-001	
		CTH KR, just east of the Canadian Pacific Railway).	Spring of 2022	Yes	A-1	B-3	Business/Industrial	Business/Industrial	N/A	Yes	N/A		19.4		2024	2025	7	N/A	N/A	N/A	Concept 02/13/2023	05/08/2023	5/23/2023		2/23 Concept Meeting, 3/23 revising site plan will resubmit 3/23 submitted materials 4/23 On May PC meeting 6/23 DA Sent to Developer 7/23 Final Engineering commenets being addressed 8/23 Staff working w/DOT on access issue 9/23 DOT issue worked out, Still working with Developer on DA	
CWP West Corp	Mister Car Wash	Somers Market	5/12/2022	Yes	B-4	B-4 w PUD	Commercial	Commercial	Southeast	N/A	N/A	N/A	2.1		2023	2024	2	N/A	None	N/A	8/8/2022	10/25/2022		N/A	8/22 Board reviewed at Work Session. Waiting on RCG to address property issues 9/22 Updated Exhibits, RCG to address problems in Oct 10/22 Approved by Board 12/22 DA Ready for Mister Car to Execute 2/23 DA Signed & Sent for recording 3/23 Building permits ready, just waiting on developer 8/23 Site work to begin in September	
Edgar Terrace Homes & Management	Multi-Family	88th Ave Eagle Chateau	2/17/2021	Yes	R-11	R-11	Medium Density Residential	No	Hawthorne	N/A	N/A	N/A	1.05	\$75,000		2022	2023	N/A	N/A	N/A	N/A	06/14/201	7/13/2021	3/22/2022	N/A	02/21 Meet with developer 4/21 submitted plans for June Plan Commission 6/21 Plan Commission Reviewed & Approved 3/22 DA Executed 08/22 Under construction 8/23 Buildig nearly complete
Flint Development	Industrial 1.8 M sq ft 3 buildings	Somers Expansion Area (West of 94)	6/14/2021	Yes	A-1 Paris	BP-1	Commercial	Business/Industrial	N/A IGA	Yes	Sewer Water	\$4,000,000	128.31	\$179,500	\$75,000,000	2022	2023	N/A	N/A	N/A	N/A	IGA 8/11/2021 Concept 11/17/2021 Approve 12/13/2021 Comp & Rezone	02/08/2022 approved subject to DA	7/26/2022	7/21 1st intro meeting. Submitted letter requesting review by IGA 8/11 IGA Committee heard concept., 9/28 Developer planning on October submission for Dec Plan Commission 10/29 Submitted plans for Plan Commission & IGA 11/21 IGA approved use 3/22 Developer still reviewing offsite utilities 4/22 Developer working on DA 6/22 DA almost complete 6/22 Grading permit granted, DA will be signed once final Exhibits Oked 7/22 Grading began , DA executed & recorded 9/22 Public Improvements went out to Bid 3/23 Offsite utilities substantially complete 5/23 Building III walls are vertical	
Golden Oil	Convenience Store, Fast food, outlot for hotel	East Frontage	Late 2022	No	A-1	B-3	Business/Industrial	N/A	Kilborn Somers West	Yes	Sewer Water	\$40,000,000	62.02	\$17,300		2024	2025	8	Yes Incentives for Hotel		Concept 03.13.2023 CSM to Divide land & Rezone to A4 4/10/2023				4/23 Developer meet w/ staff for revised concept w/ less diesel pumps & status of hotel 6/23 Golden Oil closed on land, updated meeting on hotel 7/23 Meeting regarding utilities, meeting with potential hotel	
Three Leaf Landquest	Residential Housing	Maple Crest Golf Club	Late 2022	Yes	PR-1	R-10 R-4 R-4.5 PUD	Park & Rec	med Wetland, Other Conservancy		CSM PLAT	N/A	N/A	161.55	\$1,450,200				N/A	N/A	N/A	N/A	Concept 05/8/2023				12/22 Began discussions w/Developer 04/23 submitted for conceptual review 5/23 PC Conceptual review 8/23 Hoping to submit for October PC Staff doing tour of Veridan Homes in Madison in Sept 9/23 Site visit, multiple meeting w/ developer regarding site paln 10/23 submitted for December plan commission

HSA Commercial	Industrial 1 building up to 900K sq ft	Darby Lane Farms CTH S/142	8/18/2021	Yes	A-1	BP-1	Business/Industrial Other Conservancy Secondary Enviro	N/A	Kilbourn South	No	Sewer Water	65.18	\$90,300	\$50,000,000	2022	2023	3	N/A	N/A	N/A	11/8/2021 Rezone 11/29/2021 Site Plan	7/18/2022 5/10/2023 1st amend	N/A	9/24 Submitted for November Plan Commission 12/21 Approved by Board, DA Completed 02/22 DA needs to be recorded 4/22 Developer confirmed that they will be 900K sq ft as opposed to 700k sq ft 6/22 Hope to break ground in fall 7/22 DA recorded 8/22 Grading began 11/22 Foundation Began 2/23 Bringing 1st Amend to DA to Board 4/23 Pre-Con for building to go vertical 5/23 1st Amend signed 06/23 Building has gone vertical 9/23 Meeting regarding Floodplain LOMR 10/23 Meeting for final items before occupancy
Mastercraft	45 lot single family	9027 12th Street	12/1/2020	Yes	A-2	R-4.5	Medium-Density Residential, Nonfarmed Wetland, Other Conservancy Land to be Preserved	Medium-Density Residential, Nonfarmed Wetland, Other Conservancy Land to be Preserved	Somers West	Plat	Sewer Water Roads	\$800,000	23.19	\$84,800	\$20,000,000						03/08/2021 Concept tabled until 04/12/2021 11/8/2021 2 lot CSM 05/08/2023	5/23/2023 6/8/2023	N/A	12/20 Began discussion with Developer for Single homes 02/21 Concept Submitted 04/21 Concept meeting held, Developer will be submitting for rezoning 9/24 Plat Submitted for Nov Plan Commission 11/21 Board reviewed Plat 02/22 Board reviewed Water 03/22 Project on hold per Developer 4/22 Developer exploring other options for water 12/22 No new activity 03/23 Will be submitting to build two homes along CTH E 5/23 Board approved 2 lots, DA needs to signed by Developer 6/23 DA Signed & Recorded 10/23 Looking to build one spec house in the hear future
Ravine Park Partners Hawthorn Apt Phase II	Mixed Use Residential Multi-Family 140 Units 4Commercial Out Lots	Corner of E & 31	3/1/2022	Yes	A-2 C-1	R-11 B-3 C-1 PUD	Commercial Primary Environmental Corridor	High-Density Residential Commercial Primary Environmental Corridor	Pike Creek	CSM	Road Water Sewer	20.05	\$7,900	\$15,000,000	2024	2024					Concept 12/12/2022			1/23 Hope to submit for approvals in spring 4/23 Developer waiting on financing options, then will submit
Somersville EA & E	Multi-Family Duplexes & Apts 521 total units "Somerville"	EA & A	4/1/2020	Yes	R-4, R-5, R-8, R-9, C-1	R-11	Medium Density Residential Conservancy	High Density Residential	Somers Center West	CSM	N/A	N/A	66.8	\$15,200	\$60,000,000	2022	2023	N/A	N/A	N/A	11/9/2020 6/12/2023	12/8/2020 CSM/Site Plan Conditionally Approved 06/27/2023 updated site plan conditionally approved		06/20 held first official meeting w/ developer & his consultants 8/20 Concept Meeting Held 9/25 Plans Submitted for Nov 9th Plan Commission 11/20 Plan Commission, 1st work session 12/20 Conditionally Approved by Plan Commission & Board 03/21 Reaching final engineering for DA 05/21 meeting w/ engineering firm, expected updated exhibits soon 8/21 Exhibits nearing completion 10/21 Additional round of Engineer Comments given to Developer 02/22 Exhibits completed DA coming to Board in March 3/22 Developer reviewing DA 05/22 Meeting with Developer to discuss increase cost of project 9/22 No new activity 12/22 Email received regarding possible new CSM 02/23 Will be resubmitting w/ slightly lower unit count 4/23 possible June plan commission meeting 6/23 PC Meeting, Board, Sie conditionally approved





**VILLAGE OF SOMERS  
VILLAGE BOARD  
WORK SESSION ITEM MEMORANDUM**

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**WORK SESSION:** November 7<sup>th</sup>, 2023

**TO:** Village President Stoner and Village Trustees

**FROM:** Jason J. Peters, Administrator

**AGENDA ITEM:** #5 2022 Audit Presentation by Erica L. Blumberg

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**COMMENTS:**

Our 2022 Audit has been completed by Andrea & Orendorff, LLP. Paper copies of the Audit will be available in your boxes on Monday November 6<sup>th</sup>. Erica L. Blumberg will be attending the meeting to review our 2022 Audit. If you have any questions before hand, please let us know.

**ATTACHMENTS:**

2022 Audit Materials



10411 Corporate Drive  
Suite 104  
Pleasant Prairie, WI 53158

PHONE 262.657.7716

[www.aocpa.net](http://www.aocpa.net)

November 7, 2023

To the Board of Trustees  
Village of Somers

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Village of Somers (the Village) for the year ended December 31, 2022. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated February 2, 2023. Professional standards also require that we communicate to you the following information related to our audit.

#### Significant Audit Findings

##### *Qualitative Aspects of Accounting Practices*

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Village are described in Note I to the financial statements. The Village adopted the provisions of GASB 87 with respect to accounting for Leases in 2022. The impact is disclosed in Notes I.D.1, I.V.B., and I.V.G. to the financial statements. We noted no transactions entered into by Village during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period. However, significant audit adjustments were required to recognize certain transactions in the proper period. Additionally, prior period adjustments were required in 2022 related to implementation of the Lease guidance, reporting of Utility assets contributed by the TIDs, and recording special assessment installment receivables. See our separate letter addressing control weaknesses for further details.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the water and sewer's financial statements were:

- Management's estimate of the depreciation is based on the estimated life of the asset.
- The accrued compensation for vacation hours is based on current rate of pay.
- The estimate for the allowance for uncollectible accounts is based off of the past percentage of collection and the aging report.
- Estimates for net pension and net OPEB obligations and related balances are based on a variety of actuarial valuations and assumptions provided by the State of Wisconsin or actuaries engaged by the Village.

We evaluated the key factors and assumptions used to develop these estimates in determining that it is reasonable in relation to the financial statements taken as a whole.

The financial statement disclosures are neutral, consistent, and clear.

### *Difficulties Encountered in Performing the Audit*

We encountered no significant difficulties in dealing with management in performing and completing our audit. However, due to turnover in key financial staff near year-end, we did identify a large number of adjusting entries and were required to spend a significant amount of time examining and correcting accounting related to capital assets, long-term debt, and year-end accruals. There was a delay in obtaining certain supporting documents as a result of this turnover, which delayed completion of our audit and financial reports beyond our initially agreed-upon timeline. We do not anticipate this to be a recurring issue for the audit.

### *Corrected and Uncorrected Misstatements*

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. The misstatements we identified were material individually and in the aggregate. Management has corrected all such misstatements.

### *Disagreements with Management*

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

### *Management Representations*

We have requested certain representations from management that are included in the management representation letter dated November 7, 2023.

### *Management Consultations with Other Independent Accountants*

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Village's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

### *Other Audit Findings or Issues*

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Village's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

### Other Matters

We applied certain limited procedures to the pension and OPEB schedules and the Management Discussion and Analysis, which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding 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 did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on combining and individual non-major fund statements, which accompany the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

Restriction on Use

This information is intended solely for the information and use of the Board of Trustees and management of the Village and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

*Andrea & Orendorff LLP*

Andrea & Orendorff LLP

**VILLAGE OF SOMERS  
KENOSHA COUNTY, WISCONSIN**

**FINANCIAL STATEMENTS AND  
INDEPENDENT AUDITOR'S REPORT  
FOR THE YEAR ENDED  
DECEMBER 31, 2022**

Andrea & Orendorff LLP  
10411 Corporate Drive, Suite 104  
Pleasant Prairie, WI 53158  
262 657-7716

**VILLAGE OF SOMERS**

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December 31, 2022

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## INDEPENDENT AUDITOR'S REPORT

To the Village Board  
Village of Somers  
Kenosha County, Wisconsin

### Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Village of Somers, Wisconsin as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements as listed in the Table of Contents.

In our opinion, the financial statements referred to previously present fairly the financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Village of Somers, Wisconsin, as of December 31, 2022, or the changes in financial position thereof 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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Village of Somers, Wisconsin, 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

As discussed in Notes IV.B, IV.G, and V.J. to the financial statements, effective January 1, 2022, the Village adopted new accounting guidance for leases. The guidance requires lessees to recognize a right-to use lease asset and corresponding lease liability and lessors to recognize a lease receivable and corresponding deferred inflow of resources for all leases with lease terms greater than twelve months. Also, as discussed in Note V.I. to the financial statements prior period adjustments to net assets as of January 1, 2022 have been reported related to implementation of the lease standards, correction of asset transfers reporting, and special assessments levied in a prior year.

Our opinions are not modified with respect to these matters.

### 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 Village of Somers, Wisconsin'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.

## **Auditor's Responsibility 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 auditor's 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 generally accepted 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 generally accepted 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 the Village of Somers, Wisconsin'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 the Village of Somers, Wisconsin'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.

### ***Other Matters***

#### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 21, and the OPEB and pension schedules on pages 94 through 98 be presented to supplement the basic financial statements. Such information, 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 auditing standards generally accepted in the United States of America, 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.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village of Somers, Wisconsin's basic financial statements. The combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such 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 auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### **Report on Summarized Comparative Information**

We have previously audited the Village of Somers 2021 financial statements, and we expressed an unmodified opinion on those audited financial statements in our report dated November 9, 2022. In our opinion, the summarized comparative information for the government funds presented herein as of and for the year ended December 31, 2021, is consistent, in all material respects, with the audited financial statements from which it has been derived.

*Andrea & Orendorff LLP*

Andrea & Orendorff LLP  
Pleasant Prairie, Wisconsin  
November 7, 2023

**VILLAGE OF SOMERS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
(Unaudited)**

Our discussion and analysis of the Village of Somers's (the Village) financial performance provides an overview of the Village's financial activities for the year ended December 31, 2022.

**USING THIS ANNUAL REPORT**

This annual report consists of a series of financial statements. The Statement of Net Position, the Statement of Activities, and the Fund financial statements provide information about the long-term finances and the activities of the Village as a whole. Governmental activities reflect how services were financed in the short-term and what balance remains for future spending. The Village's fund financial statements report the Village's operations in more detail than government-wide statements. The Statement of Net Position and Statement of Activities provide information about the Village's most significant funds. Our analysis of the Village as a whole begins on page 22.

**Reporting the Village as a Whole**

One of the most important questions asked about the Village's finances - "Is the Village as a whole better off or worse off as a result of the year's activities?" The Statement of Net Position and the Statement of Activities report information about the Village as a whole and about its activities in a way that helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting. Most private-sector companies use accrual basis of accounting. All the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the Village's net position and changes in them. You can think of the Village's net position - the difference between assets and liabilities - as one way to measure the Village's financial health, or financial position. Over time, increases or decreases in the Village's net position are one indicator of whether its financial health is improving or deteriorating. To fully assess the Village's financial health, you will need to consider other non-financial factors, such as changes in the Village's property tax base and the condition of the Village's roads, both of which have shown significant improvement.

To aid in the understanding of the Statement of Activities, some additional explanation is given. Of particular interest is the format that is significantly different than a typical Statement of Revenues, Expenses, and Changes in Fund Balance. You will notice that expenses are listed in the first column with revenues from that particular program reported to the right. The result is a Net (Expense)/Revenue. The reason for this kind of format is to highlight the relative financial burden of each of the functions on the Village's taxpayers. It also identifies how much each function draws from the general revenues or if it is self-financing, through fees and grants.

In the Statement of Net Position and the Statement of Activities, we divide the Village into three kinds of activities:

Governmental activities: Most of the Village's basic services are reported here, including public safety, highway, parks, planning, capital projects, and administration. Property taxes, licensure fees, fines, donations, and state and federal grants finance most of these activities.

**VILLAGE OF SOMERS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
(Unaudited)**

**Reporting the Village as a Whole** (continued)

Governmental Activities: (continued)

The functions and programs of the primary government, along with the composition of each function by Village department are listed below.

- General Government includes the Village Board, Municipal Court, Village office, Clerk-Treasurer, Elections, Board of Review, Village Assessor, audit fees, legal fees, engineering, Village Hall, membership dues, advertising and publications, property and liability insurance, and Debt Service payments.
- Public Safety includes the Somers Fire and Rescue department and the Village's Building Inspection department. Public Safety also includes payments under a contract with the Kenosha County Sheriff's Department for general law enforcement services provided by the County 24 hours per day.
- Public Works includes the maintenance of all Village & Town roads, operation of municipal sewer & water utilities, related facilities and street lighting.
- Solid Waste Collection is a contracted service for garbage and recycling pickup.
- Leisure Activities includes a recreation program which offers softball, soccer, golf & basketball.
- Conservation and Development includes the Plan Commission, the Board of Appeals, the Park Committee, and the eleven Tax Incremental Districts. In an effort to save costs, the Village contracts with Kenosha County Planning & Development for zoning oversight.

Business-type activities:

The Village charges fees to customers for the business-type services it provides. The business-type activities include the Somers Water Utility, Storm Water Utility, and the two sewer utilities – KR and Utility District #1. Water rates are established by the Public Service Commission of Wisconsin based on fact and circumstances presented in rate case petitions by the water utility management. Once granted, water rates are implemented with the review and approval of the Somers Water Commissioners. Rates for sewer service are established by the sewer utility management subject to approval by the Village of Somers Sewer Commission.

Fiduciary activities:

The Village collects property taxes on behalf of other governments. Collected taxes are included in cash and offset with a matching liability to the government. Uncollected taxes are recorded as a receivable.

**VILLAGE OF SOMERS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
(Unaudited)**

**Reporting the Village's Most Significant Funds**

The fund financial statements provide detailed information about the most significant funds - not the Village as a whole. The Village, by the nature of its activity, utilizes three types of funds – governmental, proprietary, and fiduciary, requiring different accounting approaches.

Governmental Funds

Most of the Village's basic services are reported in Governmental Funds, which focus on how money flows in and out of those funds and balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The Governmental Fund statements provide a detailed short-term view of the Village's general government operations and the basic services it provides.

Governmental Fund information helps determine the financial resources that can be spent in the near future to finance the Village's programs. We describe the relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds in reconciliations following the respective Governmental Funds' statements.

The Governmental Funds include the General Fund, a 10-year Capital Projects Fund, Debt Service Funds, and Tax Incremental Districts #1-11. Additionally, the Village reports other governmental activities including park improvement, restricted federal funding, and drainage as non-major Special Revenue funds. The General Fund includes General Government, Public Safety, Public Works, Solid Waste Collection, Leisure Activities, and Conservation and Development. The Capital Projects Fund is used to account for infrastructure projects, developer's incentive payments & on-going TIF project expenses. The Debt Service Fund serves as a clearing account for present and future debt payments.

Proprietary Funds

The Village uses Proprietary Funds to account for its business-type activities such as the Somers Water Utility, Storm Water Utility, the KR Sewer District, and Utility District #1. The Proprietary Funds are reported in the same way that all activities are reported in the Statement of Net Position and the Statement of Activities. The Village's Proprietary Fund is the same as the business-type activities we report in the government-wide statements but provides more detail and additional information such as cash flows.

Fiduciary Funds

The Village uses a Fiduciary Fund to account for taxes collected by the Village on behalf of other municipalities. The fiduciary fund is reported in the same way that all activities are reported in the Statement of Net Position and the Statement of Activities.

**VILLAGE OF SOMERS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
(Unaudited)**

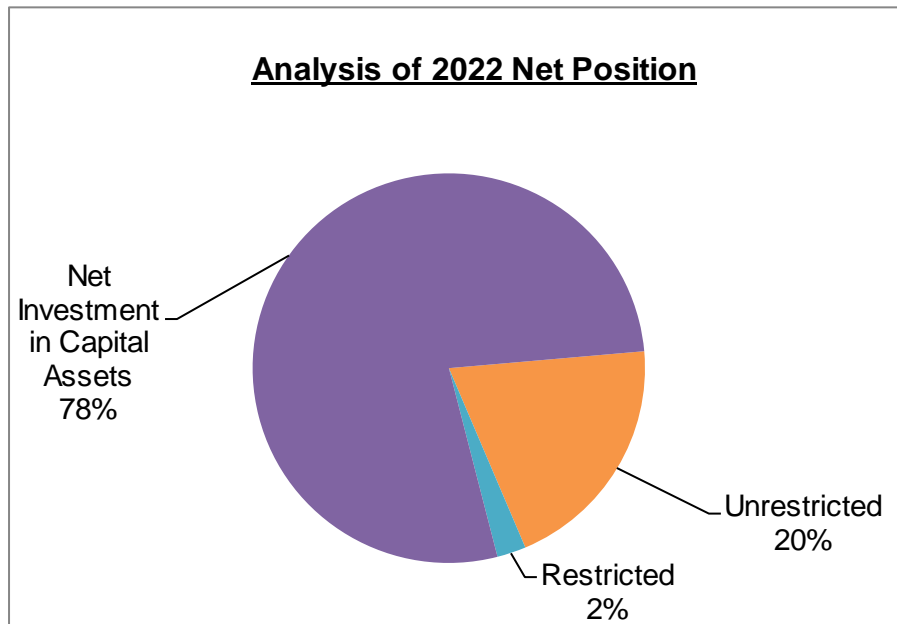
**The Village as a Whole**

Government-wide Financial Analysis

The condensed financial statements on page 8 and 9 present the net position of the Village and changes in net position. These statements are presented with comparisons to 2021. Net position may serve over time as a useful indicator of a government's financial position. In 2022, the Village's assets exceeded liabilities by \$54,506,828 as compared to having assets in excess of liabilities of \$36,447,257 in 2021.

The largest portion of the Village's 2022 net position (78%, compared to 106% for 2021) reflects the Village's investment in capital assets less any outstanding related debt used to acquire those assets. The Village uses these capital assets to provide services to the citizens; consequently, these assets are not available for future spending. Although the Village's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. Net position of approximately \$11,000,000 (deficit of \$3,300,000 for 2021) is in the category of unrestricted net assets which may be used to meet the Village's ongoing obligations to citizens and creditors. This represents 20% and -8% of total net position each year, respectively.

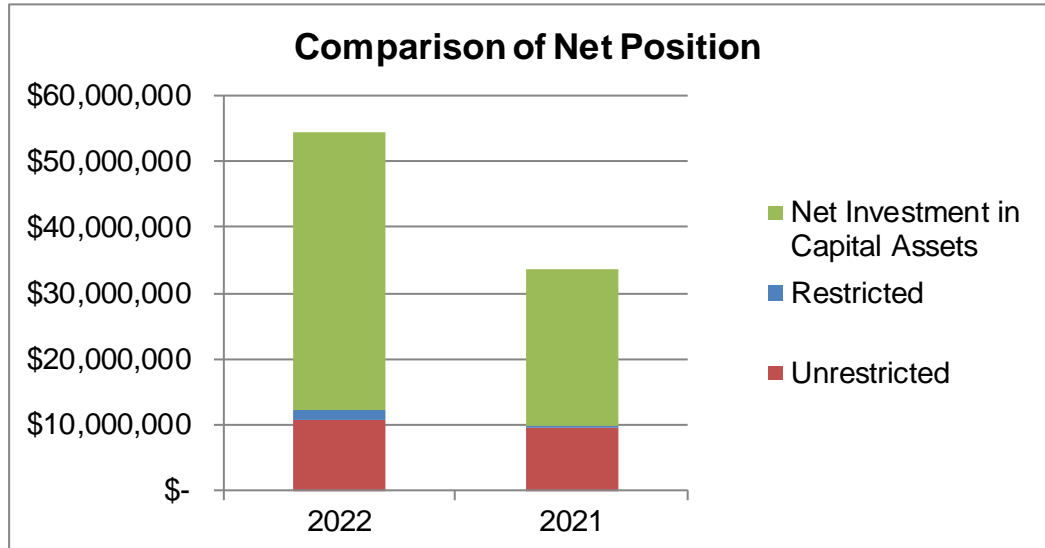
In 2022, the other 2% of net position reflected the non-expendable use as it relates to the net pension asset as a result of GASB 68. For 2021, restricted net position was also 2% of the total.



**VILLAGE OF SOMERS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
(Unaudited)**

**The Village as a Whole (continued)**

Government-wide Financial Analysis (continued)



**VILLAGE OF SOMERS  
STATEMENT OF NET POSITION  
December 31, 2022**

	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
Current and other assets	\$ 22,229,595	\$ 19,193,249	\$ 17,715,680	\$ 8,120,384	\$ 39,945,275	\$ 27,313,633
Capital assets	16,825,792	16,842,813	63,217,801	57,081,594	80,043,593	73,924,407
Total Assets	<u>39,055,387</u>	<u>36,036,062</u>	<u>80,933,481</u>	<u>65,201,978</u>	<u>119,988,868</u>	<u>101,238,040</u>
Deferred outflow s of resources	2,444,274	1,718,176	345,666	246,431	2,789,940	1,964,607
Long-term liabilities outstanding	32,691,685	31,311,501	15,468,329	13,938,795	48,160,014	45,250,296
Other liabilities	4,928,725	6,176,504	2,913,984	4,013,613	7,842,709	10,190,117
Total liabilities	<u>37,620,410</u>	<u>37,488,005</u>	<u>18,382,313</u>	<u>17,952,408</u>	<u>56,002,723</u>	<u>55,440,413</u>
Deferred inflow s of resources	11,881,800	11,041,067	387,457	273,910	12,269,257	11,314,977
Net position:						
Net investment in capital assets	13,579,866	12,034,561	28,721,472	26,750,534	42,301,338	38,785,095
Restricted	1,152,950	860,799	144,248	105,565	1,297,198	966,364
Unrestricted	(22,735,365)	(23,670,194)	33,643,657	20,365,992	10,908,292	(3,304,202)
Total Net Position	<u>\$ (8,002,549)</u>	<u>\$ (10,774,834)</u>	<u>\$ 62,509,377</u>	<u>\$ 47,222,091</u>	<u>\$ 54,506,828</u>	<u>\$ 36,447,257</u>

**VILLAGE OF SOMERS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
(Unaudited)**

**The Village as a Whole (continued)**

Government-wide Financial Analysis (continued)

**VILLAGE OF SOMERS  
CHANGES IN NET POSITION  
For the Year Ended December 31, 2022**

	Governmental		Business-type		Total	
	2022	2021	2022	2021	2022	2021
Revenues:						
Program revenues:						
Charges for services	\$ 2,443,321	\$ 1,183,444	\$ 4,585,089	\$ 4,461,146	\$ 7,028,410	\$ 5,644,590
Operating grants and contributions	830,298	317,227	19,452	-	849,750	317,227
General revenues:						
Property taxes	3,636,784	3,469,193	-	303,707	3,636,784	3,772,900
Other taxes	4,401,267	3,057,740	-	-	4,401,267	3,057,740
Grants and contributions not restricted to specific programs	412,608	483,786	-	-	412,608	483,786
Other revenues	1,454,784	303,478	8,770,758	134,714	10,225,542	438,192
Total revenues	<u>13,179,062</u>	<u>8,814,868</u>	<u>13,375,299</u>	<u>4,899,567</u>	<u>26,554,361</u>	<u>13,714,435</u>
Expenses:						
General government	1,634,208	1,251,975	-	-	1,634,208	1,251,975
Public safety	3,114,843	2,749,345	-	-	3,114,843	2,749,345
Public works	928,335	977,211	-	-	928,335	977,211
Solid waste collection	729,276	691,149	-	-	729,276	691,149
Leisure activities	34,275	25,613	-	-	34,275	25,613
Conservation and development	691,446	1,048,384	-	-	691,446	1,048,384
Interest on long-term debt	583,245	752,345	-	-	583,245	752,345
Sewer	-	-	2,608,095	2,117,970	2,608,095	2,117,970
Water	-	-	1,229,225	1,204,151	1,229,225	1,204,151
Total expenses	<u>7,715,628</u>	<u>7,496,022</u>	<u>3,837,320</u>	<u>3,322,121</u>	<u>11,552,948</u>	<u>10,818,143</u>
Excess (deficiency) of revenues over expenditures	5,463,435	1,318,846	9,537,979	1,577,446	15,001,414	2,896,292
Contributions and transfers	<u>(2,980,556)</u>	<u>(12,477,637)</u>	<u>2,980,556</u>	<u>12,477,637</u>	<u>-</u>	<u>-</u>
Increase (decrease) in net position	2,482,879	(11,158,791)	12,518,535	14,055,083	15,001,414	2,896,292
Net position - beginning of year, as originally reported	(10,774,834)	383,957	47,222,091	33,167,008	36,447,257	33,550,965
Prior period adjustments	289,406	-	2,768,751	-	3,058,157	-
Net position - beginning of year, as restated	<u>(10,485,428)</u>	<u>383,957</u>	<u>49,990,842</u>	<u>33,167,008</u>	<u>39,505,414</u>	<u>33,550,965</u>
Net position - end of year	<u>\$ (8,002,549)</u>	<u>\$ (10,774,834)</u>	<u>\$ 62,509,377</u>	<u>\$ 47,222,091</u>	<u>\$ 54,506,828</u>	<u>\$ 36,447,257</u>

**VILLAGE OF SOMERS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
(Unaudited)**

**The Village as a Whole** (continued)

Government-Wide Financial Analysis (Continued)

Revenues:

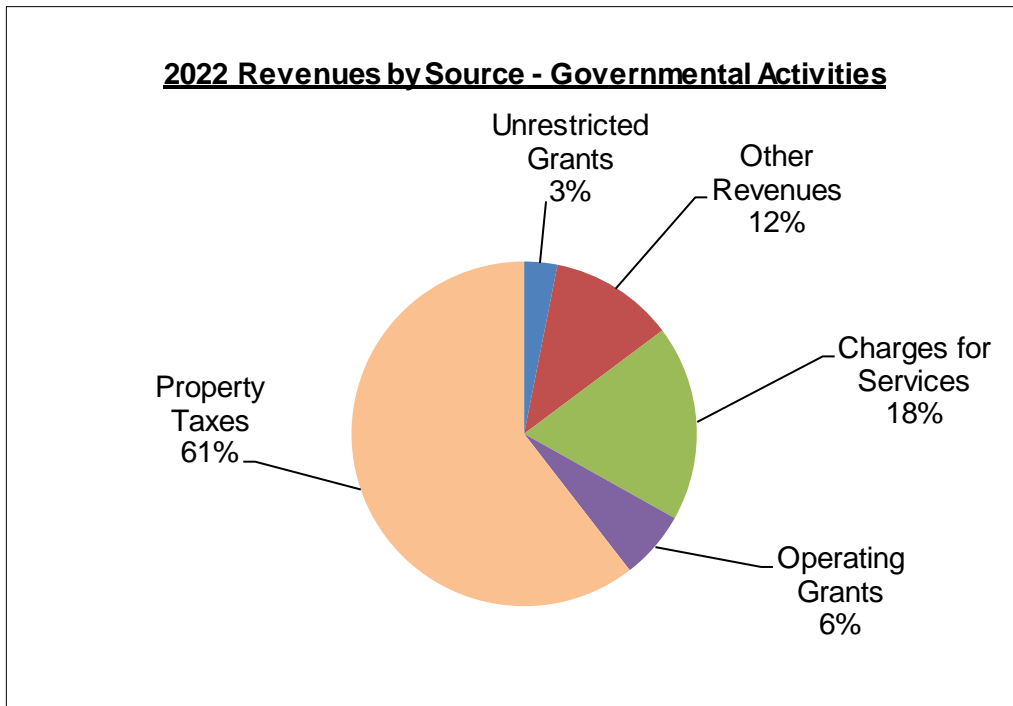
Total revenues for the Village increased by \$12,839,926 due to significant developer donations and special assessments in connection with TID development.

Expenditures:

Expenditures increased by \$734,805 for the Village. This is due to general inflation and increased cost of labor, materials, and other services purchased by the Village.

**REVENUES BY SOURCE – GOVERNMENTAL ACTIVITIES**

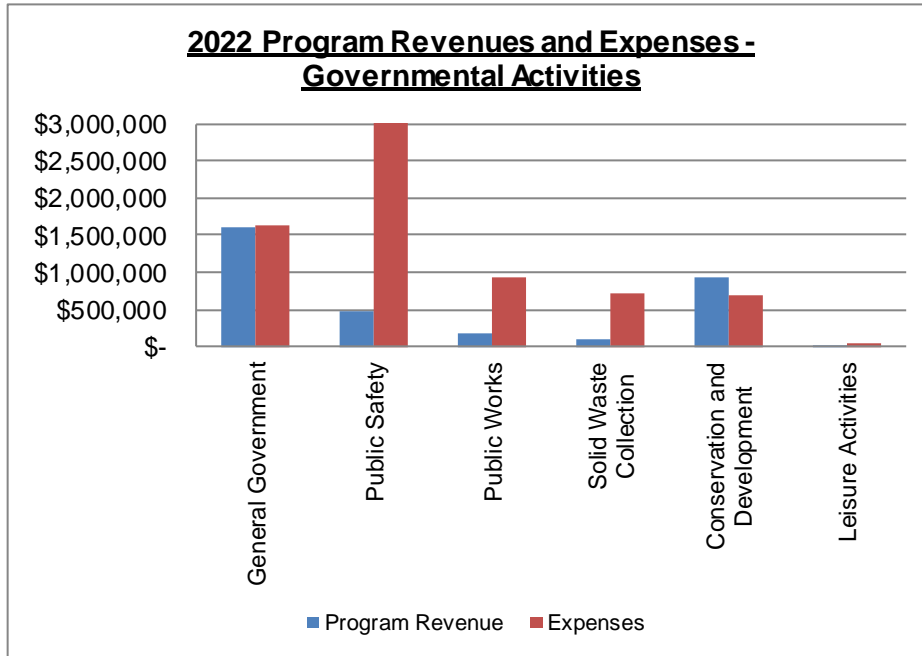
This chart illustrates the percent of revenue sources that fund the Village's governmental activities.



**VILLAGE OF SOMERS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
(Unaudited)**

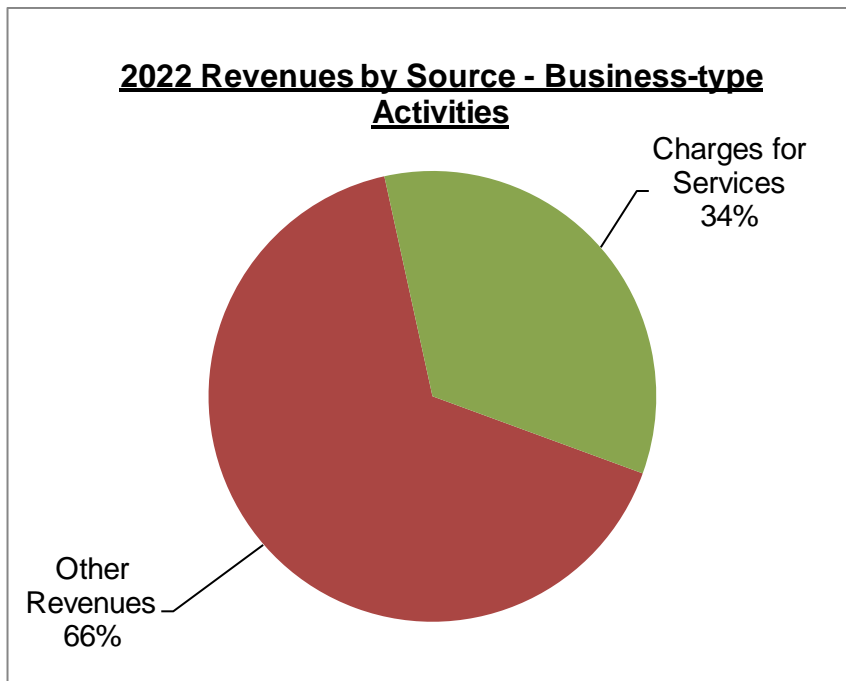
**REVENUES BY SOURCE – GOVERNMENTAL ACTIVITIES** (continued)

The following chart shows the portion of expenses by function that is covered by program revenues.



**REVENUES BY SOURCE – BUSINESS-TYPE ACTIVITIES**

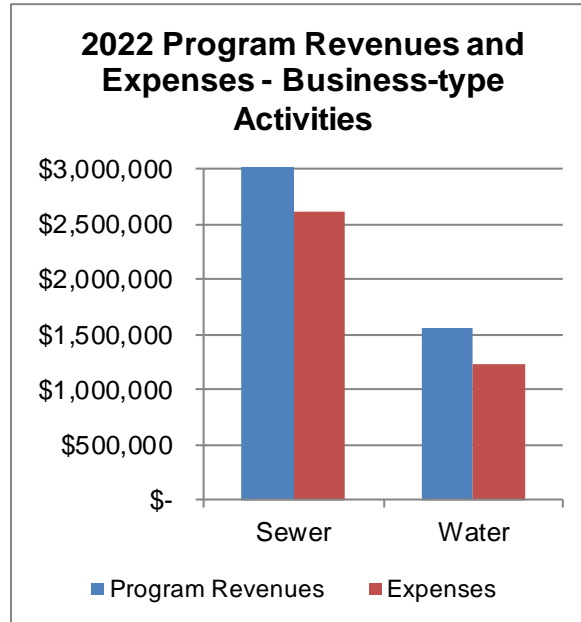
This chart illustrates the percent of revenue sources that fund the Village’s business-type activities.



**VILLAGE OF SOMERS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
(Unaudited)**

**PROGRAM REVENUES AND EXPENSES – BUSINESS-TYPE ACTIVITIES**

The following chart shows the portion of expenses by function that is covered by program revenues for business-type activities.



**The Village's Funds**

The Village uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. These funds, along with major changes that occurred in the Village's funds are described below.

In 2022, the Village Board continued to follow policies that cover the areas of debt and capitalization. The Village finalized a 10-year Capital Improvement Plan, long-range Financial Management Plan, and a Utility study in 2020 and continues to follow those.

General Fund

The General Fund closed out in 2022 with an increase of \$2,015,486. This happened due to additional intergovernmental revenue and local revenue in excess of anticipated amounts. The Unrestricted General Fund balance of \$5.1 million is 89% of General Fund expenditures. The Village's fund balance policy requires at least a seventeen percent reserve.

The following table shows total General fund balances for the past three years:

	<u>2020</u>	<u>2021</u>	<u>2022</u>
<b>General fund</b>	<b><u>\$ 3,026,402</u></b>	<b><u>\$ 3,090,240</u></b>	<b><u>\$ 5,105,726</u></b>

**VILLAGE OF SOMERS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
(Unaudited)**

**The Village's Funds** (continued)

Special Revenue Funds

The Parks and Drainage funds are long standing funds to be used for park and drainage improvement projects. In 2021, the ARPA fund was added to account for funds received and spent under the American Rescue Plan Act.

Since being involved with the Root-Pike Water Shed Initiative, the Village of Somers has utilized drainage funds to promote educational programs to teach the public about the benefits of preserving our natural resources. The programs chosen for this educational initiative were carefully reviewed to ensure they satisfy the requirements for the State of Wisconsin's Storm Water Management Discharge Permit.

The Park Committee's goal is to increase residents' involvement and enjoyment of their community through park land improvement. A Veteran's Walkway continues to have purchases of Memorial bricks.

ARPA funding of \$561,312 remained unspent at year-end. These funds must be expended or committed by the end of 2024.

Capital Projects Fund

The Capital Projects Fund is reviewed on an annual basis & approved by the Village Board. The Board continues to follow a 10-year Capital Projects Budget.

Debt Service Fund

The sole purpose is for servicing governmental debt. All of the Tax Incremental Districts' debt is included in the Debt Service. The fund balance closed out the year with \$5,965,134 compared to \$4,216,070 in 2021.

Tax Incremental Districts

TIF District deficits are anticipated to be funded with future incremental taxes levied over the life of the district.

Tax Incremental District #1

This District has a fund balance of \$819,599. This is due to developer incentives, administrative & engineering costs exceeding initial estimates. The fund also has unspent debt proceeds at year-end, resulting in a positive fund balance. Remaining debt proceeds will be spent in the following year.

Tax Incremental District #2

The Village financed projects for TID #2. The fund balance is a deficit of \$4,299. The fund's expenditures were supported by a transfer from the debt service fund.

Tax Incremental District #3

Located near I-94 and HWY 142. This is a mixed-use district, with commercial and industrial uses proposed. The District encompasses 388.42 acres, with a base valuation of \$1,763,329. The equalized value of the increment of existing tax incremental districts within the Village, plus the base value of the District, totals \$71,898,929. During the year, the District issued debt and expended funds for utility improvements, which were contributed to the Utility District. There is an ending fund deficit of \$336,906.

**VILLAGE OF SOMERS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
(Unaudited)**

**The Village's Funds** (continued)

Tax Incremental District #4

Located near CTH E and HWY 31. This is a mixed-use district, with commercial and residential uses proposed. The District encompasses 150.10 acres, with a base valuation of \$1,040,101. The equalized value of the increment of existing tax incremental districts within the Village, plus the base value of the District, totals \$71,175,701. The Village financed projects for TID #4, resulting in the fund deficit of \$458,143.

Tax Incremental District #5

Is bisected by CTH L and runs north to south along HWY 31. This is a mixed-use district, with commercial, industrial, and residential uses proposed. The District encompasses 536.47 acres, with a base valuation of \$1,274,382. The equalized value of the increment of existing tax incremental districts within the Village, plus the base value of the District, totals \$71,409,982. The Village financed projects for TID #5, resulting in the fund deficit of \$86,752.

Tax Incremental District #6

Located near CTH E and I-94. This is a mixed-use district, with commercial, industrial, institutional, and residential uses proposed. The District encompasses 663.34 acres, with a base valuation of \$2,238,343. The equalized value of the increment of existing tax incremental districts within the Village, plus the base value of the District, totals \$72,373,943. During the year, the District issued debt and expended funds for utility improvements, which were contributed to the Utility District. There is an ending fund deficit of \$148,326.

Tax Incremental District #7

Located near CTH KR and I-94. This is a mixed-use district, with commercial and industrial uses proposed. The District encompasses 1,678.55 acres, with a base valuation of \$7,976,467. The equalized value of the increment of existing tax incremental districts within the Village, plus the base value of the District, totals \$78,082,067. Minimal expenditures were made for the District during the year. There is an ending fund deficit of \$19,442.

Tax Incremental District #8

Located near CTH E and I-94. This is a mixed-use district, with commercial and industrial uses proposed. The District encompasses 220.76 acres, with a base valuation of \$343,953. The equalized value of the increment of existing tax incremental districts within the Village, plus the base value of the District, totals \$70,479,553. During the year, the District issued debt and expended funds for utility improvements, which were contributed to the Utility District. There is an ending fund deficit of \$232,720.

Tax Incremental District #9

Located near the lake front on the northern part of HWY 32. This is a mixed-use district, with commercial and industrial uses proposed. The District encompasses 6.23 acres, with a base valuation of \$1,983,575. The equalized value of the increment of existing tax incremental districts within the Village, plus the base value of the District, totals \$72,119,175. Minimal expenditures were made for the District during the year. There is an ending fund deficit of \$19,089.

**VILLAGE OF SOMERS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
(Unaudited)**

**The Village's Funds** (continued)

Tax Incremental District #10

Located near 11 Place and HWY 32. This is a mixed-use district, with commercial and industrial uses proposed. The District encompasses 12.47 acres, with a base valuation of \$3,067,895. The equalized value of the increment of existing tax incremental districts within the Village, plus the base value of the proposed District, totals \$73,203,495. Minimal expenditures were made for the District during the year. There is an ending fund deficit of \$8,078.

Tax Incremental District #11

Located near CTH S and CTH H. This is a mixed-use district, with commercial and industrial uses proposed. District encompasses 66.49 acres, with a base valuation of \$185,414. The equalized value of the increment of existing tax incremental districts within the Village, plus the base value of the District, totals \$70,612,301. Minimal expenditures were made for the District during the year. There is an ending fund deficit of \$19,071.

Enterprise Funds

Somers Water Utility, Utility District #1, and KR Sewer Utility all operate as enterprise funds. All of the enterprise funds account for contributed capital as revenue received in the year the capital asset is recognized.

Somers Water Utility Fund

The Water Utility closed 2022 with an increase in net position of \$5,834,602 due to \$5 million of new water mains, which were paid for by revenues from the Tax Incremental Districts and contributed to the Utility Fund. Management, in concert with consulting engineers and Board oversight, continues to develop Village-wide plans that address new development in areas to be serviced by municipal water.

Sewer Utility District #1 Fund

Overall, the Sewer Utility District #1 closed out the year with an increase in net position of \$6,630,963. Total net operating income for the Sewer Utility District #1 in 2022 was \$678,793. This fund has an unrestricted net position at year end 2022 of \$32.3 million.

Sewer system maintenance is critical for the health and safety of our residents. To ensure seamless service to the sewer customer base, Sewer Utility District #1 employs camera aided visual inspection to determine the need and type of periodic maintenance best suited. The District continues to use its VAC truck to maintain the Utility's infrastructure. In 2020, the District continued the sewer lateral program to reduce inflow/infiltration. This proactive approach is fully compliant both with DNR regulation and our collective concern for the environment. In 2020, the Village obtained the loan in the amount of \$5 million for the rehabilitation/replacement of sewer mains and laterals in the Sheridan Road Corridor. The loan was granted and the project began in Spring of 2021 and was completed in 2022.

**VILLAGE OF SOMERS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
(Unaudited)**

**The Village's Funds** (continued)

KR Sewer Utility Fund

The KR Sewer Utility was established to service a small area along the County Highway KR border, Racine County to the north. The sewer line flows into the Mount Pleasant Interceptor Sewer and ultimately east to the Racine Sewer treatment plant.

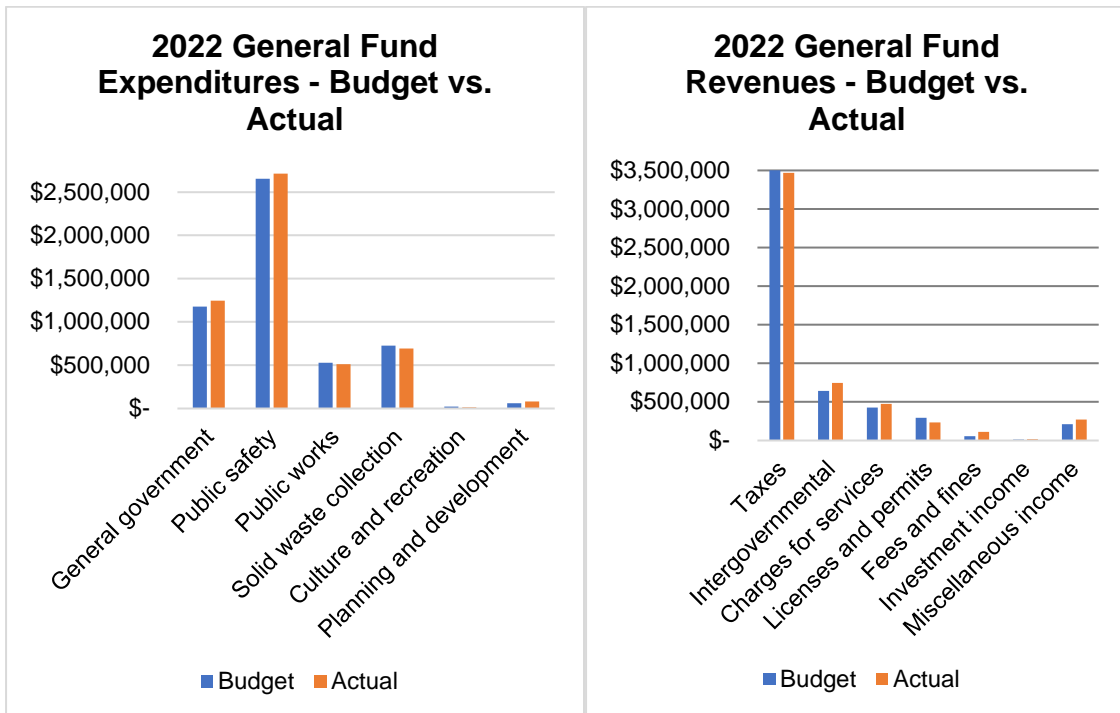
For this service, the utility pays a set amount per quarter to the Village of Mount Pleasant for the treatment of sewer and an annual rental charge for the conveyance line on KR. In 2022, the Utility experienced an operating loss of \$117,605.

The KR Sewer Utility has a multi-jurisdictional agreement to help Racine Sewer Utility reconstruct the aging treatment plant. On an annual basis, a series of calculations based on property values is performed. The agreement and the resulting calculation, determines who owes money to City of Racine Sewer Utility and who receives money.

**GENERAL FUND BUDGETARY HIGHLIGHTS**

The Village General Fund has fund balance of \$5,105,726 which is a \$2,015,486 increase from 2021. Much of this increase is from developer donations and building permit fees on new development in 2022.

Below is a summary of the General Fund's actual revenues and expenditures compared to budgeted amounts.



**VILLAGE OF SOMERS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
(Unaudited)**

**CAPITAL ASSET AND DEBT ADMINISTRATION**

Capital Assets

At the end of December 2022, the Village had \$80,043,593 invested in capital assets including buildings, parks, vehicles, equipment, and infrastructure. See Note IV C. on page 58 for more detail on capital assets. A summary report of capital assets is as follows:

	Governmental Activities		Business-Type Activities		Totals	
	2022	2021	2022	2021	2022	2021
Intangible Assets	\$ 38,732	\$ 38,732	\$ 60,393	\$ 60,393	\$ 99,125	\$ 99,125
Construction in Progress	-	-	5,380,220	19,496,712	5,380,220	19,496,712
Land	1,143,695	1,143,695	-	-	1,143,695	1,143,695
Land Improvements	5,053,403	5,007,303	-	-	5,053,403	5,007,303
Utility Plant in Service	-	-	69,511,579	48,112,272	69,511,579	48,112,272
Buildings	6,077,534	6,062,626	-	-	6,077,534	6,062,626
Machinery & Equipment	6,409,025	5,976,811	2,852,987	2,806,092	9,262,012	8,782,903
Infrastructure	12,856,348	12,776,508	-	-	12,856,348	12,776,508
Total Capital Assets	31,578,737	31,005,675	77,805,179	70,475,469	109,383,916	101,481,144
Less: Accumulated Depreciation	(14,752,945)	(14,162,862)	(14,591,378)	(13,393,875)	(29,344,323)	(27,556,737)
Total Net Capital Assets	\$ 16,825,792	\$ 16,842,813	\$ 63,213,801	\$ 57,081,594	\$ 80,039,593	\$ 73,924,407

Debt

At the end of the year, the Village's outstanding general obligation (GO) debt and Revenue Bonds totaled \$35,035,600. See Note IV E. on page 62 for more detail on debt.

Bonded Debt Outstanding 12/31/21	\$ 35,486,780
Bonded Debt Issued	3,141,794
Bonded Principal Retired	(3,592,974)
Bonded Debt Outstanding 12/31/22	<u>\$ 35,035,600</u>

Breakdown of Outstanding Bonded Debt:	
Revenue Bonds	\$ 15,660,600
Tax Increment Project Revenue Bond	75,000
General Obligation Debt	19,300,000
Bonded Debt Outstanding 12/31/22	<u>\$ 35,035,600</u>

Management has calculated the net pension expense and asset as required by the Governmental Accounting Standards Board (GASB) Statement No. 68 – *Financial Reporting for Post-employment Benefit Plans Other Than Pension Plans*, as well as the expenses and liabilities for other post-employment benefits required by GASB Statement No. 75 - *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. Please see Note V A. on page 73 and Note V B. on page 79 for further information on this calculation.

**VILLAGE OF SOMERS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
(Unaudited)**

**ECONOMIC FACTORS AND DEVELOPMENT PROJECT UPDATES**

Somers is a small community located along Interstate 94 (I-94) in southeastern Wisconsin's Kenosha County, between Milwaukee and Chicago. With a board and management team that have recently instituted a number of fiscal planning practices and policy changes, the Village has seen solid financial performance over the past three fiscal years after recovering from a period of negative reserves and weak budgetary performance. We expect the Village to sustain a structurally balanced budget with very strong reserves going forward. The Village has continued to invest heavily in bringing infrastructure to the I-94 Corridor area. These investments have spurred interest in the area and the Village is starting to see the fruits of its efforts.

The DNR received a straddling community diversion application from the Village of Somers in February 2021. After receiving the application, the DNR invited the public to provide comments on the application and received public testimony at a hearing in November 2021. The Village received notice in February of 2022 that its diversion request was approved. This will allow the Village to divert up to an annual average of 1.2 million gallons of water per day over the subcontinental divide and allow the Village to serve new development with municipal utilities.

Two Tax Incremental Financing Districts were created in 2015 in order to facilitate economic development and have proven to be highly successful. TIF District #1 encompasses the First Park LLC development. The first building was completed in June 2016 and a second building followed shortly thereafter. Both buildings are 100% leased. In, May of 2022, Building "D" was approved by the Village. This project broke ground in late 2022 and will bring another 450,000 sq ft building to the business park.

TIF District #2 runs along the central corridor of the Village. TID #2 abuts a Wal-Mart Supercenter and Sam's Club. It is home to a Festival Foods grocery store and Kwik Trip convenience store. It is also home to Somers Market Square Apartments. Phase 1 included 280 units and was completed in 2017. Phase 2 added an additional 50 units and was completed in 2019. They have over a 90% occupancy rate. These apartments spurred additional Commercial Development in TIF District #2. These additions include the following: Burger King; Firestone; Jiffy Lube; a multi-tenant building anchored by Starbucks, Shopko Optical, Jersey Mike's, and US Nail Bar; and Oakfire Restaurant, a 9700 square foot woodfire pizza restaurant. In 2022, a new, multi-tenant building anchor by a Taco Bell received occupancy. A new Dunkin Donuts and a new Popeye's Louisiana Chicken also opened for Business. In, 2022 a new Chipotle Mexican Grill Restaurant broke ground and a development agreement was entered into to bring a Mr. Carwash to TID #2.

The Village is working with developers from throughout the country on new development. Based on this strong interest in development, the Village Board established nine (9) new TIF districts in 2018.

TIF District #4 is home to the Hawthorn Luxury Apartments complex. The project was completed in 2021 and added an additional 241 units of market rate apartments. They have over a 90% occupancy rate. The WVRC Emergency Vet Clinic was also completed and occupied in 2021.

**VILLAGE OF SOMERS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
(Unaudited)**

TIF District #5 saw its first development take shape in 2021. The Village entered into a development agreement with SCS Pike Creek, LLC to bring 338 units of market rate apartments to the Village. The original 88-acre parcel is located on the Northwest corner of STH 31 and CTH L. Approximately 64 acres will be home to the multi-family project and the remaining acreage will be retained by the original owner for a future commercial project. This project broke ground in 2022 and major improvements were made to CTH L to prepare for the eventual traffic it will bring.

TIF District #6 has continued to take shape. In 2020, The Village entered into a development agreement with Tawani Enterprises, Inc. to bring the Pritzker Archives & Memorial Park Center to Somers. The project will include a Museum Space, archival space, community green space, the world's only Cold War Memorial, and a Firearms Education and Training Center. In 2022, the Archival Building was completed. The project brought an estimated \$14.5 million dollars of sewer and water to the Village. The work on this infrastructure began in 2021 and was substantially completed in 2022. This infrastructure has opened up over 1,000 acres for potential future development. In late 2022, "Mission 94" (the above-mentioned Firearms Education and Training Center) was approved by the Village and will break ground in 2023. In 2021, Becknell Industries and the Village entered into an agreement to bring a Class "A" warehousing/industrial building on approximately 50 acres. Phase I, which broke ground in 2022 will bring a 795,000 sq. ft building to TID #6. Becknell's has indicated that Phase II will bring an additional 1,000,000 sq ft. building. 900,000 sq. ft. These building will be located in the adjacent TIF District #3.

Development has also taken place outside of the Village's TIF Districts. Two four-unit apartment buildings broke ground along CTH H in 2022. A new 17,000 sq. ft. facilities operations building was approved for Carthage College. This project broke ground in 2022.

The Paris Intergovernmental Agreement, finalized in 2017, is a historic agreement between the Village of Somers, City of Kenosha, and Town of Paris. The agreement opened 2,000 acres of land for development which is estimated at a potential improved value of \$2 billion. In 2021, the Village approved its first attachment of land from the Town of Paris to the Village under said agreement. The first ever project was approved under the Boundary Agreement in 2022. In June, the Village approved a Developer's Agreement with Flint Development to bring a "Class A" warehousing/industrial project to approximately 130 acres. The project would bring three buildings totaling 1.9 million sq. ft. of warehousing/manufacturing space. This project broke ground in July. The second ever project in this area was quick to follow. In October of 2022, a new 13,000 sq. ft. Bobcat Plus dealership was approved and will break ground in 2023.

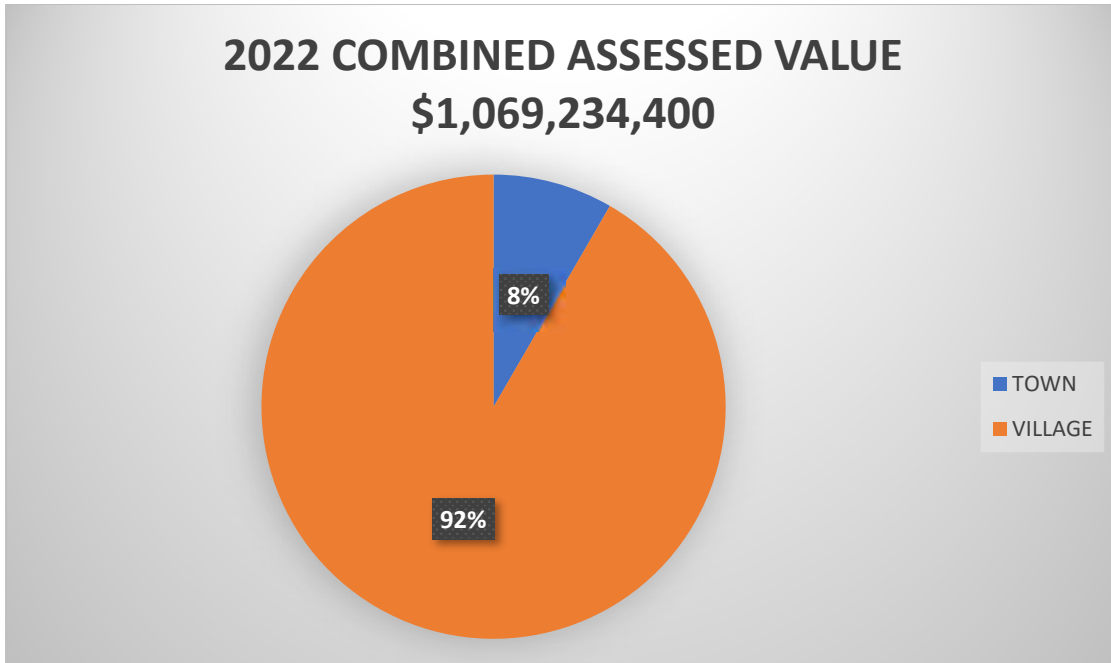
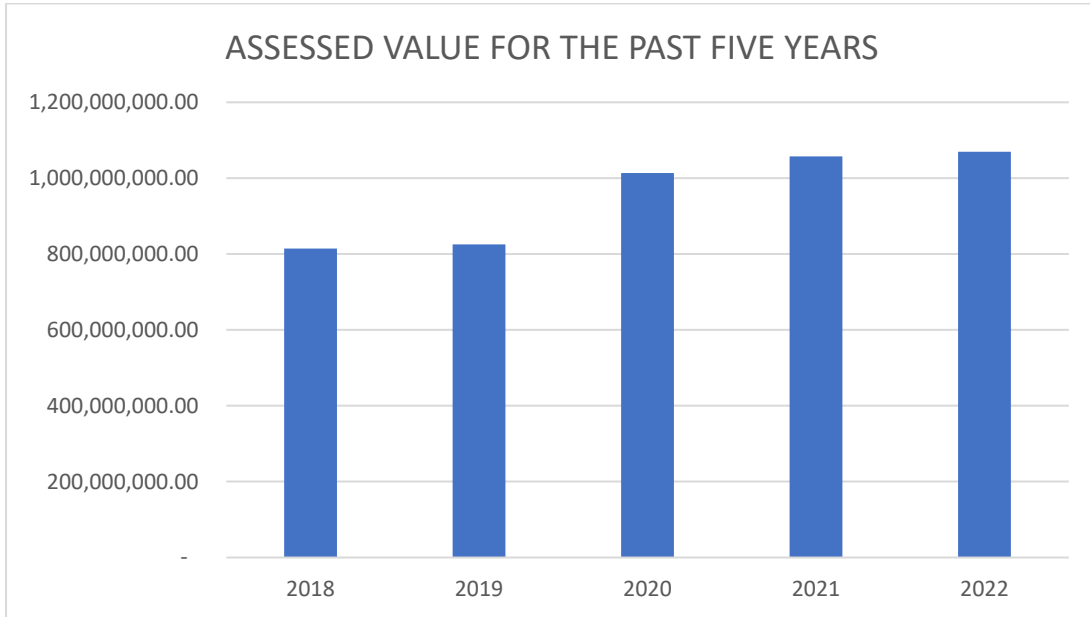
**RATING CHANGE**

The Village maintains its S&P Global Ratings of 'AA-' rating for taxable general obligation (GO) refunding bonds. The outlook is stable.

VILLAGE OF SOMERS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
(Unaudited)

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

ASSESSED VALUE TRENDS



**VILLAGE OF SOMERS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
(Unaudited)**

**CONTACTING THE VILLAGE'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our residents, taxpayers, customers, and creditors with a comprehensive overview of the Village's finances and to show the Village's accountability for the money it receives. If you have questions about this report or need additional information, contact the Village of Somers at 7511 12<sup>th</sup> Street, P.O. Box 197, Somers, WI.

Jason Peters  
Village Administrator

**VILLAGE OF SOMERS**  
**STATEMENT OF NET POSITION**  
**December 31, 2022**

	Governmental Activities	Business-type Activities	Total
<b>ASSETS</b>			
Cash and cash equivalents	\$ 14,148,553	\$ 7,995,253	\$ 22,143,806
Receivables			-
Property taxes	4,534,848	-	4,534,848
Special assessments - current	-	1,488,056	1,488,056
Leases	41,622	-	41,622
Other	168,543	1,098,577	1,267,120
Prepaid expenses	7,276	2,721	9,997
Restricted cash and cash equivalents	697,320	321,813	1,019,133
Internal balances	125,858	(125,858)	-
Special assessments - noncurrent	700,599	6,790,870	7,491,469
Leases - noncurrent	652,026	-	652,026
Net pension asset	1,152,950	144,248	1,297,198
Capital assets			
Land and construction in progress	1,143,695	5,384,221	6,527,916
Other capital assets, net of depreciation	15,682,097	57,833,580	73,515,677
Total capital assets	<u>16,825,792</u>	<u>63,217,801</u>	<u>80,043,593</u>
 Total assets	 <u>39,055,387</u>	 <u>80,933,481</u>	 <u>119,988,868</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Related to pension	2,258,245	286,992	2,545,237
Related to post-employment benefits	186,029	58,674	244,703
Total deferred outflows of resources	<u>2,444,274</u>	<u>345,666</u>	<u>2,789,940</u>
<b>LIABILITIES</b>			
Accounts payable and accrued expenses	1,185,331	1,288,162	2,473,493
Due to other governments	7,386	-	7,386
Deposits & trust accounts	85,413	-	85,413
Accrued interest	105,817	73,353	179,170
Unearned revenues	561,312	-	561,312
Long-term liabilities			
Other post-employment benefits	1,620,782	293,440	1,914,222
Debt due within one year	2,029,813	1,552,469	3,582,282
Debt due in more than one year	32,024,556	15,174,889	47,199,445
Total liabilities	<u>37,620,410</u>	<u>18,382,313</u>	<u>56,002,723</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Related to property tax levy	8,481,464	-	8,481,464
Related to leases	407,934	-	407,934
Related to pension	2,730,621	341,634	3,072,255
Related to post-employment benefits	145,996	45,823	191,819
Deferred gain on refunding	115,785	-	115,785
Total deferred inflows of resources	<u>11,881,800</u>	<u>387,457</u>	<u>12,269,257</u>
<b>NET POSITION</b>			
Net investment in capital assets	13,579,866	28,721,472	42,301,338
Restricted	1,152,950	144,248	1,297,198
Unassigned (deficit)	(22,735,365)	33,643,657	10,908,292
Total net position	<u>\$ (8,002,549)</u>	<u>\$ 62,509,377</u>	<u>\$ 54,506,828</u>

See accompanying notes to the financial statements.

**VILLAGE OF SOMERS  
STATEMENT OF ACTIVITIES  
For the Year Ended December 31, 2022**

<b>Functions/Programs</b>	Program Revenues			Net (Expense) Revenue and Changes in Net Position			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
<b>Primary government</b>							
Governmental activities							
General government	\$ 1,634,208	\$ 1,163,308	\$ 433,877	\$ -	\$ (37,023)	\$ -	\$ (37,023)
Public safety	3,114,843	415,786	49,557	-	(2,649,500)	-	(2,649,500)
Public works	928,335	19,835	148,694	-	(759,806)	-	(759,806)
Solid waste collection	729,276	150	89,990	-	(639,136)	-	(639,136)
Leisure activities	34,275	8,485	-	-	(25,790)	-	(25,790)
Conservation and development	691,446	835,757	108,180	-	252,491	-	252,491
Interest on long-term debt	583,245	-	-	-	(583,245)	-	(583,245)
Total governmental activities	<u>7,715,628</u>	<u>2,443,321</u>	<u>830,298</u>	<u>-</u>	<u>(4,442,009)</u>	<u>-</u>	<u>(4,442,009)</u>
Business-type activities							
Sewer	2,608,095	3,034,561	19,452	-	-	445,918	445,918
Water	1,229,225	1,550,528	-	-	-	321,303	321,303
Total business-type activities	<u>3,837,320</u>	<u>4,585,089</u>	<u>19,452</u>	<u>-</u>	<u>-</u>	<u>767,221</u>	<u>767,221</u>
Total primary government	<u>\$ 11,552,948</u>	<u>\$ 7,028,410</u>	<u>\$ 849,750</u>	<u>\$ -</u>	<u>(4,442,009)</u>	<u>767,221</u>	<u>(3,674,788)</u>
<b>General revenues:</b>							
Taxes:							
Property taxes, levied for general purposes					3,636,784	-	3,636,784
Property taxes, levied for debt service					4,401,267	-	4,401,267
Grants and contributions not restricted to specific programs					412,608	-	412,608
Unrestricted investment earnings					354,170	54,560	408,730
Miscellaneous					1,195,334	8,716,198	9,911,532
Loss on disposal of assets					(94,720)	-	(94,720)
Total general revenues					<u>9,905,443</u>	<u>8,770,758</u>	<u>18,676,201</u>
<b>Contributions &amp; transfers:</b>							
Capital contributed to utilities					(2,682,840)	2,682,840	-
Other transfers					(297,716)	297,716	-
Total contributions & transfers					<u>(2,980,556)</u>	<u>2,980,556</u>	<u>-</u>
Change in net position					2,482,879	12,518,535	15,001,414
Net position - January 1, as originally reported					(10,774,834)	47,222,091	36,447,257
Prior Period Adjustments - See Note V. I.					289,406	2,768,751	3,058,157
Net position - January 1, as restated					<u>(10,485,428)</u>	<u>49,990,842</u>	<u>39,505,414</u>
Total net position at end of year					<u>\$ (8,002,549)</u>	<u>\$ 62,509,377</u>	<u>\$ 54,506,828</u>

See accompanying notes to the financial statements.

**VILLAGE OF SOMERS  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
December 31, 2022**

	General Fund	Debt Service Fund	Tax Incremental District #1	Tax Incremental District #6	Nonmajor Governmental Funds	Total Governmental Funds	2021 Total Governmental Funds
<b>ASSETS</b>							
Cash and cash equivalents	\$ 7,013,617	\$ 5,401,577	\$ 876,991	\$ 180,571	\$ 675,797	\$ 14,148,553	\$ 11,972,255
Receivables							
Property taxes	4,534,848	4,022,099	23,442	-	-	8,580,389	9,062,389
Ambulance fees	7,138	-	-	-	-	7,138	73,056
Miscellaneous	100,898	-	-	12,923	47,584	161,405	91,672
Due from other funds	2,131,311	-	-	-	-	2,131,311	1,545,010
Prepaid expenses	7,276	-	-	-	-	7,276	3,562
Restricted cash	22,977	567,354	-	-	106,989	697,320	695,268
Deferred special assessments	-	-	410,139	-	290,460	700,599	716,428
<b>TOTAL ASSETS</b>	<b>\$ 13,818,065</b>	<b>\$ 9,991,030</b>	<b>\$ 1,310,572</b>	<b>\$ 193,494</b>	<b>\$ 1,120,830</b>	<b>\$ 26,433,991</b>	<b>\$ 24,159,640</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>							
Liabilities							
Accounts payable	\$ 370,625	\$ 3,800	\$ 67,987	\$ 341,820	\$ 338,364	\$ 1,122,596	\$ 2,299,573
Accrued compensation	62,735	-	-	-	-	62,735	58,054
Developer deposits	-	-	-	-	25,000	25,000	25,000
Due to other governments	7,386	-	-	-	-	7,386	7,386
Special deposits & trust accounts	60,413	-	-	-	-	60,413	54,885
Due to other funds	4,465,258	-	-	-	1,585,733	6,050,991	5,827,189
Unearned revenues	-	-	-	-	561,312	561,312	497,594
<b>TOTAL LIABILITIES</b>	<b>4,966,417</b>	<b>3,800</b>	<b>67,987</b>	<b>341,820</b>	<b>2,510,409</b>	<b>7,890,433</b>	<b>8,769,681</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>							
Deferred property tax levy	3,745,922	4,022,096	23,442	-	-	7,791,460	8,093,473
Special assessments	-	-	399,544	-	290,460	690,004	705,365
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>3,745,922</b>	<b>4,022,096</b>	<b>422,986</b>	<b>-</b>	<b>290,460</b>	<b>8,481,464</b>	<b>8,798,838</b>
<b>FUND BALANCES</b>							
<b><i>Nonspendable</i></b>							
Prepaid items	7,276	-	-	-	-	7,276	3,562
<b><i>Restricted</i></b>							
Tax incremental districts	-	-	819,599	-	-	819,599	1,002,736
Drainage fund	-	-	-	-	139,956	139,956	139,214
Park fund	-	-	-	-	55,017	55,017	59,884
Debt service	-	5,965,134	-	-	-	5,965,134	4,216,070
<b><i>Assigned</i></b>							
Fourth of July Parade	3,773	-	-	-	-	3,773	3,773
Subsequent year expenditures	525,848	-	-	-	-	525,848	525,848
<b><i>Unassigned</i></b>							
	4,568,829	-	-	(148,326)	(1,875,012)	2,545,491	640,034
<b>TOTAL FUND BALANCES</b>	<b>5,105,726</b>	<b>5,965,134</b>	<b>819,599</b>	<b>(148,326)</b>	<b>(1,680,039)</b>	<b>10,062,094</b>	<b>6,591,121</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<b>\$ 13,818,065</b>	<b>\$ 9,991,030</b>	<b>\$ 1,310,572</b>	<b>\$ 193,494</b>	<b>\$ 1,120,830</b>	<b>\$ 26,433,991</b>	<b>\$ 24,159,640</b>

See accompanying notes to the financial statements.

**VILLAGE OF SOMERS**  
**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET**  
**TO THE STATEMENT OF NET POSITION**  
**December 31, 2022**

Fund balance - total governmental funds	\$	10,062,094
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		16,825,790
Other long-term assets are not available to pay current period expenditures and therefore are deferred in the funds.		
Leases receivable		693,648
Net pension asset		1,152,950
Some deferred outflows and inflows of resources reflect changes in long-term liabilities and are not reported in the funds.		
Deferred outflows related to pensions		2,258,245
Deferred inflows related to pensions		(2,730,621)
Deferred inflows related to leases		(407,934)
Deferred outflows related to other postemployment benefits		186,029
Deferred inflows related to other postemployment benefits		(145,996)
		<u>(840,277)</u>
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.		
Bonds and notes payable		(33,491,895)
Premium on debt		(323,330)
Compensated absences		(239,145)
Other postemployment benefit		(1,620,782)
Deferred gain on refunding		(115,785)
Accrued interest on long-term obligations		(105,817)
		<u>(35,896,754)</u>
Net position	\$	<u>(8,002,549)</u>

See accompanying notes to the financial statements.

**VILLAGE OF SOMERS**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**For the Year Ended December 31, 2022**

	General Fund	Debt Service Fund	Tax Incremental District #1	Tax Incremental District #6	Nonmajor Governmental Funds	Total Governmental Funds	2021 Total Governmental Funds
<b>REVENUES</b>							
Taxes	\$ 3,636,784	\$ 4,401,267	\$ -	\$ -	\$ -	\$ 8,038,051	\$ 6,526,933
Intergovernmental revenues	809,030	-	-	-	433,877	1,242,907	801,011
Charges for services	732,855	-	17,646	12,922	527,866	1,291,289	841,428
Licenses and permits	1,042,141	-	-	-	-	1,042,141	232,431
Fees and fines	109,889	-	-	-	-	109,889	109,583
Investment income	199,940	122,915	29,826	-	1,489	354,170	33,549
Miscellaneous income	1,161,759	-	-	-	14,837	1,176,596	269,929
Total Revenues	<u>7,692,398</u>	<u>4,524,182</u>	<u>47,472</u>	<u>12,922</u>	<u>978,069</u>	<u>13,255,043</u>	<u>8,814,864</u>
<b>EXPENDITURES</b>							
Current:							
General government	1,512,049	-	-	-	70,776	1,582,825	1,259,790
Public safety	2,946,430	-	-	-	2,991	2,949,421	2,700,711
Public works	426,735	-	-	-	2,174	428,909	559,382
Solid waste collection	728,956	-	-	-	-	728,956	691,427
Leisure activities	16,139	-	-	-	5,813	21,952	11,762
Conservation and development	55,588	-	57,145	73,648	506,701	693,082	1,055,027
Capital outlay	41,765	-	-	-	910,166	951,931	1,488,246
Debt service:							
Principal retirement	-	2,109,381	-	-	-	2,109,381	1,965,754
Interest and other charges	-	643,758	8,800	-	3,376	655,934	713,998
Total Expenditures	<u>5,727,662</u>	<u>2,753,139</u>	<u>65,945</u>	<u>73,648</u>	<u>1,501,997</u>	<u>10,122,391</u>	<u>10,446,097</u>
Excess (deficiency) of revenues over expenditures	1,964,736	1,771,043	(18,473)	(60,726)	(523,928)	3,132,652	(1,631,233)
<b>OTHER FINANCING SOURCES (USES)</b>							
Proceeds from long-term debt	-	-	874,578	2,245,679	198,619	3,318,876	14,468,423
Refunding debt issued	-	-	-	-	-	-	885,000
Payment to current noteholder	-	-	-	-	-	-	(842,042)
Premium on issuance of debt	-	-	-	-	-	-	253,537
Capital contributions to utility	-	-	(1,039,242)	(1,273,313)	(370,286)	(2,682,841)	(12,477,635)
Transfers from other funds	50,750	-	-	-	-	50,750	22,763
Transfers to other funds	-	(21,979)	-	-	(326,487)	(348,466)	(22,763)
Total Other Financing Sources (Uses)	<u>50,750</u>	<u>(21,979)</u>	<u>(164,664)</u>	<u>972,366</u>	<u>(498,154)</u>	<u>338,319</u>	<u>2,287,283</u>
<b>Net change in fund balance</b>	2,015,486	1,749,064	(183,137)	911,640	(1,022,082)	3,470,971	656,050
FUND BALANCES - Beginning of Year	3,090,240	4,216,070	1,002,736	(1,059,966)	(657,957)	6,591,123	5,935,073
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 5,105,726</u>	<u>\$ 5,965,134</u>	<u>\$ 819,599</u>	<u>\$ (148,326)</u>	<u>\$ (1,680,039)</u>	<u>\$ 10,062,094</u>	<u>\$ 6,591,123</u>

See accompanying notes to the financial statements.

**VILLAGE OF SOMERS  
RECONCILIATION OF THE STATEMENT OF REVENUES,  
EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
For the Year Ended December 31, 2022**

Net change in fund balances - total governmental funds \$ 3,470,971

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Capital asset additions reported as capital outlay in governmental fund statements	951,933
Depreciation expense reported in the Statement of Activities	(874,240)
	77,693

Governmental funds do not report lease revenues and expenditures. Those amounts are recognized at the government-wide level. (3,692)

Debt issued provides current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.

Long-term debt issued	(3,318,876)
Premium on debt issued	22,429
Principal repaid	2,109,381
	(1,187,066)

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 governmental funds.

Change in accrued interest on long-term debt	72,689
Change in compensated absences	(5,544)
Pension expense	323,785
Other postemployment benefits expense	(171,237)
Loss on disposal of fixed assets	(94,720)
	124,973

Change in net assets of governmental activities \$ 2,482,879

**VILLAGE OF SOMERS**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN**  
**FUND BALANCES - BUDGET AND ACTUAL - GENERAL FUND**  
**For the Year Ended December 31, 2022**

Description	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>Revenues</b>				
Taxes	\$ 3,637,240	\$ 3,637,240	\$ 3,636,784	\$ (456)
Intergovernmental revenues	678,501	678,501	809,030	130,529
Charges for services	451,300	451,300	732,855	281,555
Licenses and permits	312,445	312,445	1,042,141	729,696
Fees and fines	105,100	105,100	109,889	4,789
Investment income	15,000	15,000	199,940	184,940
Miscellaneous income	108,215	108,215	1,161,759	1,053,544
Total revenues	<u>5,307,801</u>	<u>5,307,801</u>	<u>7,692,398</u>	<u>2,384,597</u>
<b>Expenditures</b>				
Current:				
General government	1,125,538	1,125,538	1,512,049	(386,511)
Public safety	2,855,672	2,855,672	2,946,430	(90,758)
Public works	483,629	483,629	426,735	56,894
Solid waste collection	749,569	749,569	728,956	20,613
Culture and recreation	24,988	24,988	16,139	8,849
Planning and development	55,425	55,425	55,588	(163)
Capital outlay	41,765	41,765	41,765	-
Total expenditures	<u>5,336,586</u>	<u>5,336,586</u>	<u>5,727,662</u>	<u>(391,076)</u>
Excess (deficiency) of revenues over expenditures	<u>(28,785)</u>	<u>(28,785)</u>	<u>1,964,736</u>	<u>2,775,673</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Contingency	28,785	28,785	-	-
Transfers in	-	-	50,750	50,750
Total other financing sources and uses	<u>28,785</u>	<u>28,785</u>	<u>50,750</u>	<u>50,750</u>
<b>Net change in fund balance</b>	-	-	2,015,486	2,015,486
Fund balance - beginning of year	<u>3,090,240</u>	<u>3,090,240</u>	<u>3,090,240</u>	<u>-</u>
<b>Fund balance - end of year</b>	<u>\$ 3,090,240</u>	<u>\$ 3,090,240</u>	<u>\$ 5,105,726</u>	<u>\$ 2,015,486</u>

See accompanying notes to the financial statements.

**VILLAGE OF SOMERS  
STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
December 31, 2022**

	Business-Type Activities				
	KR Utility District	Utility District #1	Somers Water	Storm Water Utility (Non-major)	Total
<b>ASSETS</b>					
Current assets					
Cash and investments	\$ 479,766	\$ 6,707,824	\$ 12,621	\$ 795,042	\$ 7,995,253
Accounts receivable	25,866	519,676	506,487	-	1,052,029
Tax levy receivable from General Fund	9,143	88,438	35,132	287,008	419,721
Other receivables	-	29,696	16,852	-	46,548
Special assessments - current	-	950,282	537,774	-	1,488,056
Due from other funds	29,192	-	-	-	29,192
Prepaid expenses	206	1,509	1,006	-	2,721
Restricted cash	-	138,986	182,827	-	321,813
Total current assets	<u>544,173</u>	<u>8,436,411</u>	<u>1,292,699</u>	<u>1,082,050</u>	<u>11,355,333</u>
Noncurrent assets					
Capital Assets:					
Utility plant in service	7,069,668	35,330,232	27,115,678	-	69,515,578
Machinery and equipment	-	2,300,415	518,796	-	2,819,211
Construction in progress	69,098	2,633,909	2,641,959	35,255	5,380,221
Intangible assets	-	37,027	57,142	-	94,169
Accumulated depreciation	(994,517)	(9,614,590)	(3,982,271)	-	(14,591,378)
Non-Capital Assets:					
Due from other funds - noncurrent	294,668	-	-	-	294,668
Special assessments - noncurrent	-	4,240,175	2,302,078	-	6,542,253
Deferred special assessments	30,984	147,927	69,706	-	248,617
Net pension asset	13,898	80,501	49,849	-	144,248
Total noncurrent assets	<u>6,483,799</u>	<u>35,155,596</u>	<u>28,772,937</u>	<u>35,255</u>	<u>70,447,587</u>
Total Assets	<u>7,027,972</u>	<u>43,592,007</u>	<u>30,065,636</u>	<u>1,117,305</u>	<u>81,802,920</u>
<b>DEFERRED OUTFLOW OF RESOURCES</b>					
Deferred outflows - pension contribution	1,687	15,187	8,170	841	25,885
Deferred outflows - pension	25,158	145,716	90,233	-	261,107
Deferred outflows - post-employment benefits	4,547	33,661	19,106	1,360	58,674
Total deferred outflows of resources	<u>31,392</u>	<u>194,564</u>	<u>117,509</u>	<u>2,201</u>	<u>345,666</u>
Total Assets and Deferred Outflows of Resources	<u>7,059,364</u>	<u>43,786,571</u>	<u>30,183,145</u>	<u>1,119,506</u>	<u>82,148,586</u>

See accompanying notes to the financial statements.

**VILLAGE OF SOMERS  
STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
December 31, 2022**

	Business-Type Activities				
	KR Utility District	Utility District #1	Somers Water	Storm Water Utility (Non-major)	Total
<b>LIABILITIES</b>					
Current liabilities					
Accounts payable	\$ 42,945	\$ 855,487	\$ 72,175	\$ 10,935	\$ 981,542
Wages payable	580	5,020	2,718	284	8,602
Due to other funds - current	-	-	574,771	-	574,771
Accrued interest	-	48,731	24,622	-	73,353
Other liabilities	-	-	11,010	287,008	298,018
Current portion of long-term debt payable	446	1,007,756	544,227	40	1,552,469
Total current liabilities	<u>43,971</u>	<u>1,916,994</u>	<u>1,229,523</u>	<u>298,267</u>	<u>3,488,755</u>
Noncurrent liabilities					
Due to other funds - noncurrent	-	-	294,668	-	294,668
Other post-employment benefits	36,907	143,902	109,633	2,998	293,440
General obligation debt payable	2,155	9,213,681	5,958,861	192	15,174,889
Total noncurrent liabilities	<u>39,062</u>	<u>9,357,583</u>	<u>6,363,162</u>	<u>3,190</u>	<u>15,762,997</u>
Total Liabilities	<u>83,033</u>	<u>11,274,577</u>	<u>7,592,685</u>	<u>301,457</u>	<u>19,251,752</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Deferred inflows - pension	32,916	190,656	118,062	-	341,634
Deferred inflows - post-employment benefits	3,552	26,286	14,919	1,066	45,823
Total deferred inflows of resources	<u>36,468</u>	<u>216,942</u>	<u>132,981</u>	<u>1,066</u>	<u>387,457</u>
Total liabilities and deferred inflows of resources	<u>119,501</u>	<u>11,491,519</u>	<u>7,725,666</u>	<u>302,523</u>	<u>19,639,209</u>
<b>NET POSITION</b>					
Invested in capital assets, net of related debt	681,241	17,412,470	10,592,506	35,255	28,721,472
Restricted for net pension asset	13,898	80,501	49,849	-	144,248
Unrestricted	6,244,724	14,802,081	11,815,124	781,728	33,643,657
Total Net Position	<u>\$ 6,939,863</u>	<u>\$ 32,295,052</u>	<u>\$ 22,457,479</u>	<u>\$ 816,983</u>	<u>\$ 62,509,377</u>

**VILLAGE OF SOMERS**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION**  
**PROPRIETARY FUNDS**  
**For the Year Ended December 31, 2022**

	Business-Type Activities				Total
	KR Utility District	Utility District #1	Somers Water	Storm Water Utility (Non-major)	
<b>OPERATING REVENUES</b>					
Charges for services	\$ 215,432	\$ 2,531,157	\$ 1,547,682	\$ 287,767	\$ 4,582,038
Miscellaneous operating revenue	-	205	2,846	-	3,051
Total operating revenues	<u>215,432</u>	<u>2,531,362</u>	<u>1,550,528</u>	<u>287,767</u>	<u>4,585,089</u>
<b>OPERATING EXPENSES</b>					
Personnel	35,885	305,521	146,824	19,806	508,036
Materials and supplies	827	32,179	437,297	161,288	631,591
Contractual and other services	154,932	716,964	91,622	8,229	971,747
Miscellaneous operating expenses	-	2,286	2,129	-	4,415
Depreciation	141,393	795,619	408,045	-	1,345,057
Total operating expense	<u>333,037</u>	<u>1,852,569</u>	<u>1,085,917</u>	<u>189,323</u>	<u>3,460,846</u>
Operating income (loss)	(117,605)	678,793	464,611	98,444	1,124,243
<b>NON-OPERATING REVENUES (EXPENSES)</b>					
Investment income	600	33,525	20,435	-	54,560
Interest and fiscal charges	-	(232,813)	(142,552)	-	(375,365)
Special assessments	-	5,451,399	3,112,099	-	8,563,498
Miscellaneous revenue	2,434	19,699	8,687	-	30,820
Operating grants and contributions	-	19,452	-	-	19,452
Miscellaneous expenses	-	(353)	(756)	-	(1,109)
Total non-operating revenue (expenses)	<u>3,034</u>	<u>5,290,909</u>	<u>2,997,913</u>	<u>-</u>	<u>8,291,856</u>
Income (loss) before capital contributions and transfers	(114,571)	5,969,702	3,462,524	98,444	9,416,099
<b>CAPITAL CONTRIBUTIONS and TRANSFERS</b>					
Connection fees	-	121,880	-	-	121,880
Capital contributions	69,097	539,381	2,074,362	-	2,682,840
Transfers from other funds	-	-	297,716	-	297,716
Total contributions and transfers	<u>69,097</u>	<u>661,261</u>	<u>2,372,078</u>	<u>-</u>	<u>3,102,436</u>
Change in net position	(45,474)	6,630,963	5,834,602	98,444	12,518,535
Net position - January 1, as originally stated	<u>6,985,337</u>	<u>24,301,279</u>	<u>15,216,936</u>	<u>718,539</u>	<u>47,222,091</u>
Prior period adjustment (See Note V. I.)	-	1,362,810	1,405,941	-	2,768,751
Net position - January 1, as restated	<u>6,985,337</u>	<u>25,664,089</u>	<u>16,622,877</u>	<u>718,539</u>	<u>49,990,842</u>
Total net position at end of year	<u>\$ 6,939,863</u>	<u>\$ 32,295,052</u>	<u>\$ 22,457,479</u>	<u>\$ 816,983</u>	<u>\$ 62,509,377</u>

See accompanying notes to the financial statements.

**VILLAGE OF SOMERS  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
For the Year Ended December 31, 2022**

	Business-type Activities				Totals
	KR Utility District	Utility District #1	Somers Water	Storm Water District (Non-major)	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Received from customers	\$ 204,948	\$ 2,418,795	\$ 1,344,859	\$ 288,525	\$ 4,257,127
Paid to suppliers for goods and services	(154,777)	(1,190,143)	(1,412,809)	(162,930)	(2,920,659)
Paid to employees	(29,682)	(228,828)	(123,555)	(15,649)	(397,714)
Cash Flows from Operating Activities	<u>20,489</u>	<u>999,824</u>	<u>(191,505)</u>	<u>109,946</u>	<u>938,754</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>					
Tax levy	-	-	-	(758)	(758)
Special assessments	-	780,942	272,247	-	1,053,189
Interfund loans payments received (paid)	29,143	-	(39,795)	-	(10,652)
Transfers in	-	-	297,716	-	297,716
Miscellaneous income/(expense)	2,434	41,084	7,931	-	51,449
Cash Flows from Noncapital Financing Activities	<u>31,577</u>	<u>822,026</u>	<u>538,099</u>	<u>(758)</u>	<u>1,390,944</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>					
Debt retired	140	1,247,013	-	162	1,247,315
Interest paid	-	(252,396)	(143,268)	-	(395,664)
Debt issued	-	-	378,107	-	378,107
Connection fees received	-	121,880	-	-	121,880
Acquisition and construction of capital assets	(10,766)	(2,030,280)	(345,551)	(15,457)	(2,402,054)
Disposal of capital assets	-	-	(147,555)	-	(147,555)
Cash Flows from Capital and Financing Activities	<u>(10,626)</u>	<u>(913,783)</u>	<u>(258,267)</u>	<u>(15,295)</u>	<u>(1,197,971)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Interest income	600	33,525	20,435	-	54,560
Cash Flows from Investing Activities	<u>600</u>	<u>33,525</u>	<u>20,435</u>	<u>-</u>	<u>54,560</u>
Net Change in Cash and Cash Equivalents	42,040	941,592	108,762	93,893	1,186,287
Cash, Cash Equivalents, and Restricted Cash - Beginning of Year	<u>437,726</u>	<u>5,905,218</u>	<u>86,686</u>	<u>701,149</u>	<u>7,130,779</u>
Cash, Cash Equivalents, and Restricted Cash - End of Year	<u>\$ 479,766</u>	<u>\$ 6,846,810</u>	<u>\$ 195,448</u>	<u>\$ 795,042</u>	<u>\$ 8,317,066</u>

See accompanying notes to the financial statements.

**VILLAGE OF SOMERS  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
For the Year Ended December 31, 2022**

	Business-type Activities				Totals
	KR Utility District	Utility District #1	Somers Water	Storm Water District (Non-major)	
<b>RECONCILIATION OF OPERATING INCOME TO CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Operating Income (Loss)	\$ (117,605)	\$ 678,793	\$ 464,611	\$ 98,444	\$ 1,124,243
Adjustments to Reconcile Operating Income to Net Cash Flows from Operating Activities:					
Depreciation expense	141,393	795,619	408,045	-	1,345,057
Change in pension related assets, liabilities, and deferred outflows and deferred inflows	(2,097)	(13,063)	(8,076)	(1,135)	(24,371)
Miscellaneous Revenue/Expense	-	(2,286)	-	-	(2,286)
Change in Other Post Employment Benefits	170	(3,814)	(1,199)	2,998	(1,845)
Changes in assets and liabilities:					
Accounts receivable	(10,484)	(112,567)	(205,669)	758	(327,962)
Prepaid items	(108)	(777)	(518)	-	(1,403)
Accounts payable	9,220	(342,081)	(848,699)	8,881	(1,172,679)
 NET CASH FLOWS FROM OPERATING ACTIVITIES	 <u>\$ 20,489</u>	 <u>\$ 999,824</u>	 <u>\$ (191,505)</u>	 <u>\$ 109,946</u>	 <u>\$ 938,754</u>

See accompanying notes to the financial statements.

**VILLAGE OF SOMERS**  
**STATEMENT OF FIDUCIARY NET POSITION - FIDUCIARY FUND**  
**December 31, 2022**

**ASSETS**

Cash and cash equivalents	\$ 5,855,172
Taxes receivable	<u>5,602,160</u>
<b>Total Assets</b>	<b><u><u>\$ 11,457,332</u></u></b>

**LIABILITIES**

Due to other governments	<u>\$ 11,457,332</u>
<b>Total Liabilities</b>	<b><u><u>\$ 11,457,332</u></u></b>

See accompanying notes to the financial statements.

**VILLAGE OF SOMERS**  
**STATEMENT OF CHANGES IN NET POSITION - FIDUCIARY FUND**  
**For the Year Ended December 31, 2022**

	<u><b>Custodial Tax Collection Fund</b></u>
<b>ADDITIONS</b>	
Taxes Collected on Behalf of Other Taxing Entities	\$ 13,442,660
<b>DEDUCTIONS</b>	
Taxes Remitted to Other Taxing Entities	<u>(13,442,660)</u>
<b>CHANGE IN NET POSITION</b>	-
<b>NET POSITION - BEGINNING</b>	<u>-</u>
<b>NET POSITION - ENDING</b>	<u><u>\$ -</u></u>

See accompanying notes to the financial statements.

**VILLAGE OF SOMERS  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

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**VILLAGE OF SOMERS  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

INDEX TO NOTES TO FINANCIAL STATEMENTS (continued)

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**VILLAGE OF SOMERS  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

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**NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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The accounting policies of the Village of Somers, Wisconsin conform to generally accepted accounting principles as applicable to governmental units.

The Town of Somers was formed in 1843. In January, 2015, the Wisconsin Department of Administration approved the Incorporation application for a portion of the Town to become a Village. The Incorporation Referendum was approved by the voters and Wisconsin issued the Incorporation Certificate on April 24, 2015. This marked the beginning of the Village of Somers which coexists with the Town of Somers. On January 1, 2016, the incorporated Village portion began operations. A remnant of the Town of Somers remains. Please see Note V F. - *Intergovernmental Agreement Between Town of Somers and Village of Somers* for more detail. The scope of this audit report specifically covers the Village of Somers. For purposes of clarity in the notes, when the report refers to prior years' information, the term "Village" will be used in place of "Town".

The Village Board is composed of seven Trustees which includes a President who is elected as provided by 61.20(1), Wisconsin Statutes. Each of the Board members are elected to a two-year staggered term. The Village provides the following services: public safety, public works, public health and welfare, culture, recreation, planning and development, sewerage treatment and waterworks.

**A. REPORTING ENTITY**

This report includes all of the funds of the Village. The reporting entity for the Village consists of (a) the primary government, (b) organizations for which the primary government is financially accountable, and (c) 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 statements to be misleading or incomplete. A legally separate organization should be reported as a component unit if the elected officials of the primary government are financially accountable to the organization. The primary government is financially accountable if it appoints a voting majority of the organization's governing body and (1) it is able to impose its will on that organization or (2) there is a potential for the organization to provide specific financial benefits to or burdens on the primary government. The primary government may be financially accountable if an organization is fiscally dependent on the primary government.

A legally separate tax exempt organization should be reported as a component unit of a reporting entity if all 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, and (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. This report does not contain any component units.

**VILLAGE OF SOMERS  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

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**NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

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***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 revenues, and other non-exchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Village currently does have assets that qualify for reporting in this category which are the amounts related to pension benefits and other post-employment benefits and the difference between the amount paid to the fund and the actuarially determined value.

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The Village has various types of inflows that qualify for reporting in this category: property taxes, deferred leases receivable, deferred gain on debt refunding, other post-employment benefits, and pension liability. These amounts will be recognized as an inflow of resources in the subsequent years.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Indirect expenses are allocated based on management estimates of employees' time spent across the Village's various functions. Program revenues include (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 revenues are reported as general revenues. Internally dedicated resources are reported as general revenues rather than as program revenues.

**VILLAGE OF SOMERS  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

---

**NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

---

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

***Fund Financial Statements***

Financial statements of the reporting entity are organized into funds, each of which, are considered to be separate accounting entities. Each fund is accounted for by providing a separate set of self-balancing accounts, which constitute its assets, deferred outflows, liabilities, deferred inflows, fund equity, revenues, and expenditures/expenses. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

Funds are organized as major funds or non-major funds within the governmental, proprietary, and fiduciary statements. An emphasis is placed on major funds within the governmental and proprietary categories.

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

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

**VILLAGE OF SOMERS  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

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**NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

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

***Fund Financial Statements (continued)***

The Village reports the following major governmental funds:

*Major Governmental Funds*

- General Fund – accounts for the Village’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 resources accumulated and payments made for principal and interest on long-term debt other than enterprise debt. This includes the debt for the Village’s Tax Incremental Districts.
- Tax Incremental District #1 – accounts for all activity related to the First Park LLC development.
- Tax Incremental District #6 – accounts for the Village’s district on the east border of I-94 and Highway E.

The Village reports the following major enterprise funds:

*Major Enterprise Funds*

- Utility District #1 – accounts for the sewer operations of the Village.
- Somers Water Utility – accounts for water operations of the Village.
- KR Utility District – accounts for the sewer operations of the Village.

The Village reports the following non-major governmental and enterprise funds:

*Non-Major Governmental Funds*

- Capital Projects Fund - accounts for the acquisition of fixed assets or construction of major capital projects not being financed by proprietary or nonexpendable trust funds accounts for resources legally restricted to supporting expenditures for capital projects. Also includes the following:
  - Tax Incremental District #2 – accounts for all activity related to Somers Market area development.
  - Tax Incremental Districts #3-5 and #7-11. These are new districts in various areas of Somers that the Village intends to develop.
- Special Revenue Funds – used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. These funds are:
  - Park Improvement
  - Drainage
  - American Rescue Plan Act

**VILLAGE OF SOMERS  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

---

**NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

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

***Fund Financial Statements (continued)***

*Non-Major Enterprise Funds*

- Stormwater Utility Fund – accounts for the stormwater operations of the Village.

The Village reports the following fiduciary funds:

- Custodial Fund – The Village reports the funds that it holds for other governments related to the tax levy and collection in a custodial fund.

***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, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used.

***Fund Financial Statements***

Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Property taxes are recognized as revenues in the year for which they are levied. Taxes receivable for the following year are recorded as receivables and deferred inflows of 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 revenues when services are provided.

The business-type activities follow all pronouncements of the Governmental Accounting Standards Board and have elected not to follow Financial Accounting Standards Board guidance issued after November 30, 1989.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recorded when they are 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 Village considers revenues 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 expected to be paid with expendable available financial resources.

**VILLAGE OF SOMERS  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

---

**NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

---

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

***Fund Financial Statements*** (continued)

The revenues susceptible to accrual are ambulance services. All other Governmental Fund type revenues are recognized when received.

Property taxes are recorded in the year levied as receivables and deferred inflows of resources. They are recognized as revenues in the succeeding year when services financed by the levy are being provided.

Intergovernmental aids and grants are recognized as revenues in the period the Village is entitled to the resources and the amounts are available. Amounts owed to the Village which are not available are recorded as receivables and unearned revenue. Amounts received prior to the entitlement period are also recorded as unearned revenue.

Special assessments are recorded as revenues when they become measurable and available as current assets. Annual installments due in the future years are reflected as receivables and deferred inflows of resources. Delinquent special assessments being held for collection by the Village are reported as receivables and nonspendable fund balance in the General Fund.

Licenses and permits, fines, forfeitures and penalties, public charges for services and commercial revenues (except investment earnings), are recorded as revenues when received in cash because they are generally not measurable until actually received. Investment earnings and mobile home fees are recorded as earned since they are measurable and available.

The Village reports deferred inflows of resources on its governmental funds balance sheet. Deferred inflows of resources arise from taxes levied in the current year which are for subsequent years' operations. For governmental fund financial statements, unearned revenues arise when a potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. Unearned revenues also arise when resources are received before the Village 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, or when the Village has a legal claim to the resources, the liability for unearned revenue is removed from the balance sheet and revenue is recognized.

Both the Tax Incremental Financing District No. 1 (TID #1) and Tax Incremental Financing District No. 2 (TID #2) were created in 2015 under the provisions of Wisconsin Statute Section 66.1105. The purpose of that section is to allow a municipality to recover development and improvements costs in a designated area from the property taxes generated on the increased value of the property after the creation date of the district. That tax on the increased value is called a tax increment. Project costs may not be incurred longer than 5 years prior to the termination date of the district. The statutes allow the municipality to collect tax increments until the net project cost has been fully recovered, or maximum life based on the resolution date and type of District, whichever occurs first. Project costs uncollected at the dissolution date are absorbed by the municipality.

**VILLAGE OF SOMERS  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

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**NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

---

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

***Fund Financial Statements*** (continued)

For TID #1, the equalized value of the increment of existing tax incremental districts within Somers, plus the base value of the TID #1, totals \$476,300 and it has been declared to be an Industrial District. The plan assumes that development will increase this value to between \$75 million and \$150 million over the span of the project. The project costs for TID #1 were estimated to be \$12,597,000.

For TID #2, the equalized value of the increment of existing tax incremental districts within Somers, plus the base value of the TID #2, totals \$3,665,400 and it has been declared to be a mixed-use development. The plan assumes that development will increase this value to approximately \$57.5 million over the span of the project. The project costs for TID #2 were estimated to be \$9.5 million.

TID #3 is located near I-94 and HWY 142. This is a mixed-use district, with commercial and industrial uses proposed. The District encompasses 388.42 acres, with a base valuation of \$1,763,329. The equalized value of the increment of existing tax incremental districts within the Village, plus the base value of the District, totals \$71,898,929.

TID #4 is located near CTH E and HWY 31. This is a mixed-use district, with commercial and residential uses proposed. The District encompasses 150.10 acres, with a base valuation of \$1,040,101. The equalized value of the increment of existing tax incremental districts within the Village, plus the base value of the District, totals \$71,175,701.

TID #5 is bisected by CTH L and runs north to south along HWY 31. This is a mixed-use district, with commercial, industrial, and residential uses proposed. The District encompasses 536.47 acres, with a base valuation of \$1,274,382. The equalized value of the increment of existing tax incremental districts within the Village, plus the base value of the District, totals \$71,409,982.

TID #6 is located near CTH E and I-94. This is a mixed-use district, with commercial, industrial, institutional, and residential uses proposed. The District encompasses 663.34 acres, with a base valuation of \$2,238,343. The equalized value of the increment of existing tax incremental districts within the Village, plus the base value of the District, totals \$72,373,943.

TID #7 is located near CTH KR and I-94. This is a mixed-use district, with commercial and industrial uses proposed. The District encompasses 1,678.55 acres, with a base valuation of \$7,976,467. The equalized value of the increment of existing tax incremental districts within the Village, plus the base value of the District, totals \$78,082,067.

TID #8 is located near CTH E and I-94. This is a mixed-use district, with commercial and industrial uses proposed. The District encompasses 220.76 acres, with a base valuation of \$343,953. The equalized value of the increment of existing tax incremental districts within the Village, plus the base value of the District, totals \$70,479,553.

**VILLAGE OF SOMERS  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

---

**NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

---

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

***Fund Financial Statements*** (continued)

TID #9 is located near the lake front on the northern part of HWY 32. This is a mixed-use district, with commercial and industrial uses proposed. The District encompasses 6.23 acres, with a base valuation of \$1,983,575. The equalized value of the increment of existing tax incremental districts within the Village, plus the base value of the District, totals \$72,119,175.

TID #10 is located near 11 Place and HWY 32. This is a mixed-use district, with commercial and industrial uses proposed. The District encompasses 12.47 acres, with a base valuation of \$3,067,895. The equalized value of the increment of existing tax incremental districts within the Village, plus the base value of the proposed District, totals \$73,203,495.

TID #11 is located near CTH S and CTH H. This is a mixed-use district, with commercial and industrial uses proposed. The District encompasses 66.49 acres, with a base valuation of \$185,414. The equalized value of the increment of existing tax incremental districts within the Village, plus the base value of the District, totals \$70,612,301.

The Proprietary and Fiduciary Fund types are accounted for on an economic resources measurement focus using the accrual basis of accounting. Revenues are recorded when they are earned or able to be calculated, including unbilled water and sewer services which are accrued. Expenses are recorded at the time liabilities are incurred.

The proprietary funds have elected to follow all pronouncements of the Governmental Accounting Standards Board and have elected not to follow Financial Accounting Standards Board guidance issued after November 30, 1989. The proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Village's proprietary funds are charges to customers for sales and services. Operating expenses for proprietary funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

***All Financial Statements***

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

**VILLAGE OF SOMERS  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

---

**NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

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***D. ASSETS, LIABILITIES, AND NET POSITION OR EQUITY***

***1. Deposits and Investments***

For purposes of the Statement of Cash Flows, the Village considers all highly liquid investments with an initial maturity of three months or less when acquired to be cash equivalents.

Wisconsin Statutes restrict the investments of the Village to:

- Time deposits in financial institutions
- Securities issued or guaranteed by the Federal governments
- Municipal obligations of Wisconsin entities
- State of Wisconsin Local Government Pooled Investment Fund
- Repurchase agreements which are secured by securities issued or guaranteed by the Federal government
- Securities maturing in seven years or less and having the highest or second highest rating category of nationally recognized rating agency
- Securities of open-end management investment companies or investment trusts if the portfolio is limited to specified securities

No significant violations of these restrictions occurred during the year.

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 quoted market prices. 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 accounting funds is allocated based on average balances. The difference between the bank balance and carrying value is due to outstanding checks and/or deposits in transit.

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 their funds in total on one day's notice. At December 31, 2022, the fair value of the Village's share of the LGIP's assets was substantially equal to the amount as reported in these statements.

See Note IV A. for further information.

**VILLAGE OF SOMERS  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

---

**NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

---

***D. ASSETS, LIABILITIES, AND NET POSITION OR EQUITY (continued)***

***2. Receivables***

Wisconsin cities, villages, and towns are charged with the responsibility of assessing taxable property, collecting taxes, and making distributions to counties, school districts and other public bodies, including sanitary districts. All assessments are made as of January 1<sup>st</sup>.

Taxes on real and personal property are levied in December of each year by the Village of Somers in the amounts that when collected in the ensuing year, along with revenues, are sufficient to cover operating expenses, debt service, and other expenditures of the Village. The Village's taxpayers have two options for the payment of their real estate taxes. One option is to pay the total amount of taxes due by January 31<sup>st</sup>. The other option is to utilize an installment plan whereby one-half of real estate taxes plus total special assessments must be paid by January 31<sup>st</sup>. The second and final payment must be made not later than July 31<sup>st</sup>. Taxes unpaid by July 31<sup>st</sup> become delinquent and are turned over to the county for collection. Personal property taxes are due on or before January 31<sup>st</sup>.

Initially, all taxes are collected by city, village, and town treasurers who then make settlements with counties, school districts, and other public bodies including sanitary districts. Kenosha County settles with the Village for all real estate taxes due and payable by January 31<sup>st</sup>. The Village receives a portion of their real estate levy in February, except for the amount of taxes that have been postponed for payment in July. These postponed taxes are paid to Kenosha County no later than July 31<sup>st</sup> and the Village receives these funds in August.

The Village has the right under the Wisconsin Statutes to place delinquent water and sewer bills on the tax rolls for collection. No allowance for uncollectible accounts is considered necessary at year end.

Property tax calendar - 2022 tax roll:

Lien date and levy date	December 2022
Tax bills mailed	December 2022
Payment in Full, or First installment due	January 31, 2023
Second installment due	July 31, 2023
Personal property taxes in full	January 31, 2023
Tax settlement with Village:	
First settlement	January 15, 2023
Second settlement	February 20, 2023
Final settlement	August 15, 2023

**VILLAGE OF SOMERS  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

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**NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

---

***D. ASSETS, LIABILITIES, AND NET POSITION OR EQUITY*** (continued)

***2. Receivables*** (continued)

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 (noncurrent portion) 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 business-type activities are reported in the government-wide financial statements as “internal balances.”

***3. Inventories and Prepaid Items***

Inventories are generally used for construction and the operation and maintenance work and not for resale. They are valued at lower of cost or market based on average prices and charged to construction, operation, and maintenance expense when used.

Prepaid balances are for the payments made by the Village in the current year to provide services occurring in the subsequent fiscal year, and the reserve to prepaid items has been recognized to signify that a portion of the fund balance is not available for other subsequent expenditures.

***4. Restricted Assets***

The General Fund has restricted assets in the amount of \$22,997 on December 31, 2022. These funds are to be used for costs that arise after the land has been developed at Somers Market.

Special Revenue Funds were established to account for impact fees, as required by state statutes, in order to provide funds which may be necessary to pay for capital costs that are required to accommodate land development. At year end, the restricted cash amount in the Drainage Fund was \$46,997.

Another Special Revenue Fund was established called the Park Fund that accumulated impact fees. They were established, by contract between the Village and the developer, to provide funds necessary to pay for the engineering, construction, and legal fees during land development. At year end, this amount was \$59,992 which is reported in the Park Fund.

As a requirement of the Village’s Bonds, total restricted cash for bond reserves of \$889,167 was allocated out of the General Fund for debt service. Of this amount, \$215,854 is allocated to debt service for Tax Incremental District #1, \$351,500 is allocated to debt service for Tax Incremental District #2, \$138,986 is allocated to the Utility District #1, and \$182,827 is allocated to the Somers Water Fund.

**VILLAGE OF SOMERS  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

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**NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

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***D. ASSETS, LIABILITIES, AND NET POSITION OR EQUITY (continued)***

***5. Capital Assets***

***Government-Wide Financial Statements***

In the government-wide financial statements, fixed assets are accounted for as capital assets. Capital assets are defined by the government as assets with an initial cost of more than \$5,000 for general capital assets and infrastructure assets, and an estimated useful life based on the asset type. All capital assets are valued at historical cost, or estimated historical cost, if actual amounts are unavailable based on the records of the Village. Donated fixed assets are recorded at their estimated fair 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, and an allowance for the cost of funds used during construction when significant. The cost of renewals and betterments relating to retirement units is added to plant accounts. The cost of property replaced, retired or otherwise disposed of, is deducted from plant accounts and, generally, together with removal costs less salvage, is charged to accumulated depreciation.

Depreciation of all exhaustible fixed 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 estimated useful lives by type of asset is as follows:

Buildings	50-100	Years
Land Improvements	20	Years
Machinery and Equipment	5-40	Years
Infrastructure	15-50	Years

***Fund Financial Statements***

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

***6. Other Assets***

In governmental funds, debt issuance costs are recognized as expenditures in the current period.

**VILLAGE OF SOMERS  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

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**NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

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***D. ASSETS, LIABILITIES, AND NET POSITION OR EQUITY (continued)***

***7. Compensated Absences***

Under terms of employment, employees are granted sick leave/casual days and vacation days in varying amounts. Seventy-five percent of all unused accumulated sick leave/casual days will be paid to the employee upon termination of employment with the Village, up to a maximum of 90 days and/or 720 hours. No more than 90 days of sick leave/casual days may be accumulated. Vacation days can be carried over into the next year and must be used within the first quarter of the following year. For employees represented under a contract, vacation benefits are subject to the terms of the Collective Bargaining Agreement.

Vacation and casual days 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, as a result of employee resignations and retirements, or are payable with expendable available resources.

Accumulated liabilities at December 31, 2022 are determined on the basis of current salary rates and salary-related payments.

***8. Long-Term Obligations/Conduit Debt***

All long-term debt to be repaid from governmental and business-type resources is reported as liabilities in the government-wide statements. The long-term debt consists primarily of notes and bonds payable as well as other postemployment benefits and vested vacation and sick days.

Long-term debt for governmental funds is not reported as liabilities in the fund financial statements. The debt proceeds are reported as other financing sources. The payments of principal and interest are reported as expenditures. The accounting in proprietary funds 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 deferred and amortized over the life of the issue using the effective interest method. Gains or losses on prior refundings are amortized over the remaining life of the old debt, or the life of the new debt whichever is shorter. The balance at year end for both premiums/discounts and gains/losses, as applicable, is shown as an increase or decrease in the liability section of the balance sheet.

The Village does not engage in conduit debt transactions.

**VILLAGE OF SOMERS  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

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**NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

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***D. ASSETS, LIABILITIES, AND NET POSITION OR EQUITY*** (continued)

**9. Leases**

The Village is lessor for various space and equipment.

The Village determines if an arrangement is a lease at inception. Leases are included in lease receivables and deferred inflows of resources in the statement of net position and fund financial statements.

Lease receivables represent the Village's claim to receive lease payments over the lease term, as specified in the contract, in an exchange or exchange-like transaction. Lease receivables are recognized at commencement date based on the present value of expected lease payments over the lease term. Interest revenue is recognized ratably over the contract term. Deferred inflows of resources related to leases are recognized at the commencement date based on the initial measurement of the lease receivable, plus any payments received from the lessee at or before the commencement of the lease term that relate to future periods, less any lease incentives paid to, or on behalf of, the lessee at or before the commencement of the lease term. The deferred inflows related to leases are recognized as lease revenue in a systematic and rational manner over the lease term.

Amounts to be received under residual value guarantees that are not fixed in substance are recognized as a receivable and an inflow of resources if (a) a guarantee payment is required and (b) the amount can be reasonably estimated. Amounts received for the exercise price of a purchase option or penalty for lease termination are recognized as a receivable and an inflow of resources when those options are exercised.

The Village recognizes payments received for short-term leases with a lease term of 12 months or less, including options to extent, as revenue as the payments are received. These leases are not included as lease receivables or deferred inflows on the statements of net position and fund financial statements.

The individual lease contracts do not provide information about the discount rate implicit in the lease. Therefore, the Village has elected to use its incremental borrowing rate to calculate the present value of expected lease payments.

**10. Claims and Judgments**

Claims and judgments are recorded as liabilities if all the conditions of Governmental Accounting Standards Board pronouncements are met. The liability and expenditure for claims and judgments are only reported in governmental funds if it has matured.

Claims and judgments are recorded in the government-wide statements and proprietary funds as expenses when the related liabilities are incurred. See Note V D. on commitments and contingencies.

**VILLAGE OF SOMERS  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

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**NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

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***D. ASSETS, LIABILITIES, AND NET POSITION OR EQUITY (continued)***

***11. Equity Classifications***

***Government-Wide Financial Statements***

Equity is classified as net position and displayed in three components:

- a. Net investment in capital assets – includes the Village’s capital assets (net of accumulated depreciation) reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net position – includes assets that have third party (statutory, bond covenant, or granting agency) limitations on their use. The Village typically uses restricted assets first, as appropriate opportunities arise, but reserves the right to selectively defer the use until a future project.
- c. Unrestricted net position – typically includes unrestricted liquid assets. The Village has the authority to revisit or alter this designation.

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

***Fund Financial Statements***

Governmental fund equity is classified as fund balance. GASB 54 requires the fund balance amounts to be reported in the following categories:

- a. Nonspendable – Amounts that cannot be spent either because they are in a nonspendable form, or because they are legally or contractually required to be maintained intact.
- b. Restricted – Amounts that can be spent only for the specific purposed stipulated by constitution, external resource providers, or through enabling legislation.
- c. Committed – Amounts that can be used only for the specific purposed determined by a formal action or resolution of the Board of Trustees (the Village’s highest level of decision-making authority).
- d. Assigned – Amounts that are intended to be used for a particular purpose expressed by the Board or other authorized committee or individual.
- e. Unassigned – All amounts not included in other spendable classifications.

The Village’s policy is to use fund balances in the following order: restricted, committed, assigned, and unassigned. The Village has adopted a policy requiring the General Fund to have at least 17% of its operating expenditures in reserve. Proprietary fund equity is classified the same as in the government-wide statements.

**VILLAGE OF SOMERS  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

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**NOTE II – RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS**

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**A. EXPLANATION OF CERTAIN DIFFERENCES BETWEEN THE GOVERNMENTAL FUND BALANCE SHEET AND THE STATEMENT OF NET POSITION**

The governmental fund balance sheet includes a reconciliation between *fund balance – total governmental funds* and *net position – governmental activities* as reported in the government-wide Statement of Net Position. One element of that reconciliation explains that “long-term liabilities applicable to the Village’s governmental activities are not due and payable in the current period, and accordingly, are not reported as fund liabilities.” All liabilities, both current and long-term, are reported in the Statement of Net Position. Following are details of these differences:

Bonds and notes payable January 00, 1900	\$ (34,402,531)
New proceeds	(3,318,876)
Amortization of debt discount and issue costs	22,429
Vacation/sick day accrual	(5,546)
Other postemployment benefits (OPEB)	(80,008)
Principal retirements	<u>2,109,381</u>
Bonds and notes payable December 31, 2022	<u>\$ (35,675,151)</u>

**B. EXPLANATION OF CERTAIN DIFFERENCES BETWEEN THE GOVERNMENTAL FUND STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES AND THE GOVERNMENT-WIDE STATEMENT OF ACTIVITIES**

The governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balances includes a reconciliation between *net changes in fund balances – total governmental funds* and *changes in net position of governmental activities* as reported in the government-wide Statement of Activities.

One element of that reconciliation states that “bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position.” Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities on the Statement of Net Position. This is the amount by which repayments exceeded debt issued.

Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. The details of this (\$1,187,066) difference are as follows:

New proceeds	\$ (3,318,876)
Amortization of bond costs	22,429
Principal repayments – General Obligation debt	<u>2,109,381</u>
Net adjustment to decrease net changes in fund balances – total governmental funds to arrive at changes in net position of governmental activities	<u>\$ (1,187,066)</u>

**VILLAGE OF SOMERS  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

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**NOTE III – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

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**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 I.

A budget has been adopted for the general fund, special revenue funds, debt service fund, and capital projects funds and comparisons of actual to budget for the general fund is presented in the general-purpose financial statements. Budgetary comparisons are not required for proprietary funds.

The budgeted amounts presented include any amendments made. Board approvals are required to transfer budgeted amounts within departments, between departments, or changes to the overall budget.

Appropriations lapse at year-end unless specifically carried over.

**B. GOVERNMENTAL FUNDS - EXCESS EXPENDITURES OVER APPROPRIATIONS**

The Village controls expenditures at the appropriation unit level. The detail of those items can be found in the Village's year end budget to actual report. In 2022, the Village had the following appropriations over budget:

Appropriation	Amount Over Budget	Reason
General government	\$ 386,511	Additional municipal services required
Public safety	\$ 90,758	Additional firefighter hours required
Planning and development	\$ 163	Additional planning services required

**C. DEFICIT BALANCES**

Generally accepted accounting principles require disclosure of individual funds that have deficit balances at year end. The following funds have deficit fund balances as of December 31, 2022:

Fund	Deficit Balance	Reason
Tax Incremental District #2	\$ 4,299	Tax Incremental District deficits are anticipated to be funded with future incremental taxes levied over the life of the district. The capital projects fund is anticipated to be supported by future transfers and/or debt issuances.
Tax Incremental District #3	336,906	
Tax Incremental District #4	458,143	
Tax Incremental District #5	86,752	
Tax Incremental District #6	148,326	
Tax Incremental District #7	19,442	
Tax Incremental District #8	232,720	
Tax Incremental District #9	19,089	
Tax Incremental District #10	8,078	
Tax Incremental District #11	19,071	
Capital Projects Fund	690,512	

**VILLAGE OF SOMERS  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

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**NOTE III – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (continued)**

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***D. LIMITATIONS ON THE VILLAGE’S TAX LEVY RATE AND ITS ABILITY TO ISSUE NEW DEBT***

Wisconsin state statutes provide for a limit on the property tax levies for all Wisconsin cities, villages, towns and counties. For the 2022 and 2020 budget years, the increase in the maximum allowable tax levy is limited to the percentage change in the Village's January 1 equalized value as a result of net new construction. Debt service for debt authorized after July 1, 2005 is exempt from the levy limit. In addition, Wisconsin statutes allow the limit to be adjusted for the increase in debt service authorized prior to July 1, 2005 and in certain other situations. The Village is in compliance with the limitation.

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**NOTE IV – DETAILED NOTES ON ALL FUNDS**

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***A. DEPOSITS AND INVESTMENTS***

Cash and cash equivalent balances as disclosed on the accompanying financial statements are comprised of the following:

	<u>Unrestricted</u>	<u>Restricted</u>	<u>Total</u>
Petty cash	\$ 2,729	\$ -	\$ 2,729
Demand deposits			
Interest bearing	17,694,269	786,625	18,480,894
Non-interest bearing	1,360	96,142	97,502
Other cash	4,445,448	136,366	4,581,814
Fiduciary			
Tax deposits	-	5,855,172	5,855,172
Total cash and cash equivalents	<u>\$ 22,143,806</u>	<u>\$ 6,874,305</u>	<u>\$ 29,018,111</u>
Per statement of net position - cash and cash equivalents			\$ 22,143,806
Per statement of net position - restricted cash			1,019,133
Per statement of fiduciary net position - cash and cash equivalents			5,855,172
			<u>\$ 29,018,111</u>

Deposits with financial institutions within the State of Wisconsin are insured by the Federal Deposit Insurance Corporation (FDIC) in the amount of \$250,000 for the combined amount of all time and savings deposits and \$250,000 for interest-bearing and noninterest-bearing demand deposits per official custodian per insured depository institution. Deposits with financial institutions located outside the State of Wisconsin are insured by the FDIC in the amount of \$250,000 for the combined amount of all deposit accounts per official custodian per depository institution. Also, the State of Wisconsin has a State Guarantee Fund which provides a maximum of \$400,000 per public depository above the amount Guarantee Fund which provides a maximum of \$400,000 per public depository above the amount provided by an agency of the U.S. Government. However, due to the relatively small size of the State Guarantee Fund in relation to the Fund's total coverage, total recovery of insured losses may not be available.

**VILLAGE OF SOMERS  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

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**NOTE IV – DETAILED NOTES ON ALL FUNDS (continued)**

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**A. DEPOSITS AND INVESTMENTS (continued)**

**Wisconsin Local Government Investment Pool (LGIP)**

The Village has investments in LGIP of \$4,581,814 at year end. The 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 their funds in total on one day's notice. At December 31, 2022, the fair value of the Village's share of the LGIP's assets was substantially equal to the carrying value.

Deposits in the local government investment pool (LGIP) are pooled along with the deposits of all of the LGIP participants. The balance in the LGIP represents a pro-rated share of the total investments in the LGIP portfolio, meaning that the LGIP balance is insured to the same extent that the entire LGIP portfolio is insured. As of December 31, 2022, 89.00% was invested in various US Government investments which are backed by the federal government and not insured; and 11.00% was invested in various certificates of deposits and banker's acceptance notes which are guaranteed by the state deposit guarantee fund up to their insurance limitations.

Fluctuating cash flows during the year due to tax collections, receipt of state aids and/or proceeds from borrowing may have resulted in uninsured balances during the year significantly exceeding uninsured amounts at year end.

The Village maintains cash deposits within the LGIP. The deposit and investment balances of the various fund types on December 31, 2022 were as follows:

<b>Local Government Investment Pool</b>	
General Fund	\$ 4,455,804
Park Fund	59,992
Drainage	46,997
Utility District #1	6,400
Water Fund	12,621
	<u>\$ 4,581,814</u>

The Village has not formally adopted a deposit and investment policy but follows the requirements of the Wisconsin State statutes.

Deposits – Custodial Credit Risk

Custodial credit risk is the risk that in the event of the failure of the custodian holding the Village's deposits, the deposits may not be returned.

The Village has an agreement with the bank for collateralization of its deposits and investments. The bank has pledged \$15,615,747 of various securities as collateralization for the Village's deposits.

**VILLAGE OF SOMERS  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

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**NOTE IV – DETAILED NOTES ON ALL FUNDS (continued)**

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**A. DEPOSITS AND INVESTMENTS (continued)**

At December 31, 2022, the reported amount of the Village's deposits, including LGIP, was \$29,018,110 and the bank balance, including LGIP, was \$27,267,118. Of this balance, \$5,066,237 was not covered by federal depository insurance, collateralized securities, or by the Wisconsin insurance program. In addition, the Village maintained petty cash funds in the amount of \$2,729. The Village does not have a policy related to credit risk and believes it is not exposed to any major risk of loss in relation to its deposits.

Investments

The Village has no investments.

**B. RECEIVABLES**

**Accounts Receivable**

In the governmental funds, fire and ambulance revenues, and general government services revenue of the Village are reported net of uncollectible amounts. Gross governmental receivables related to these revenues were \$1,089,700. Total uncollectible amounts related to these receivables were \$921,157, resulting net collectible receivables of 168,543 at year-end. Business type revenues from water and sewer services provided are also reported net of uncollectible amounts. The Village estimates that the receivable balance of \$1,098,577 is fully collectible, and no allowance for uncollectible amounts has been reported.

**Special Assessments:**

In the governmental funds, the Village reported \$700,599 for non-current special assessments receivable. In the proprietary funds, deferred special assessments of \$468,989 are recorded net of the uncollectible amount of \$220,362.

In 2021 and 2022, the Village assessed the cost of certain water and sewer improvements within the TIDs to the benefiting properties. Assessments totaled \$9,123,998, were recognized in the Water and Sewer Funds in 2022, and are to be collected in equal installments over the 10-year period following the assessment. The Village believes the outstanding balance of \$8,278,926 is fully collectible, and has not recorded an allowance for uncollectible amounts. Of the amounts assessed, \$1,488,056 is due to be collected within one year.

**Leases**

The Village leases two cell towers and farm land under long-term lease agreements. The terms of these lease agreements are detailed in Note IV.G. The Village's incremental borrowing rate of 2.73% has been used to calculate interest on the leases receivable.

**VILLAGE OF SOMERS  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**NOTE IV – DETAILED NOTES ON ALL FUNDS (continued)**

**B. RECEIVABLES (CONTINUED)**

**Leases (continued)**

No allowance for uncollectible leases has been recorded, as the payments are considered to be fully collectible. Future lease payments are to be received as follows:

<u>Year Ending</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
12/31/2023	\$ 41,622	\$ 18,669	\$ 60,291
12/31/2024	46,689	17,490	64,179
12/31/2025	41,739	16,176	57,915
12/31/2026	42,888	15,027	57,915
12/31/2027	44,069	13,846	57,915
Thereafter	476,641	139,908	616,549
Total	<u>\$ 693,648</u>	<u>\$ 221,116</u>	<u>\$ 914,764</u>

**C. CAPITAL ASSETS**

The valuation of the Village's fixed assets of the governmental funds is based on historical costs and an inventory done by the staff. The additions column represents the new assets in 2022. The deletions column represents the assets that were discarded in 2022. Capital asset valuation for the year ended December 31, 2022 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
<b>Governmental Activities</b>				
Capital Assets not being depreciated:				
Land	\$ 1,143,695	\$ -	\$ -	\$ 1,143,695
Land Improvements	4,185,036	140,819	(94,719)	4,231,136
Total Capital Assets not being depreciated	<u>5,328,731</u>	<u>140,819</u>	<u>(94,719)</u>	<u>5,374,831</u>
Other Capital Assets:				
Land Improvements	822,267	-	-	822,267
Buildings	6,062,626	14,908	-	6,077,534
Machinery & Equipment	5,976,811	432,214	-	6,409,025
Intangible Assets	38,732	-	-	38,732
Infrastructure	12,776,508	363,997	(284,157)	12,856,348
Total Other Capital Assets at Historical Cost	<u>25,676,944</u>	<u>811,119</u>	<u>(284,157)</u>	<u>26,203,906</u>
Less: Accumulated Depreciation	<u>(14,162,862)</u>	<u>(874,240)</u>	<u>284,157</u>	<u>(14,752,945)</u>
Net Total Other Capital Assets	<u>11,514,082</u>	<u>(63,121)</u>	<u>-</u>	<u>11,450,961</u>
Net Total Government Activities Capital Assets	<u>\$ 16,842,813</u>	<u>\$ 77,698</u>	<u>\$ (94,719)</u>	<u>\$ 16,825,792</u>
Add: Net book value of fixed assets reported in Proprietary Funds and paid for by Governmental Funds				\$ 17,800,776
Less debt related to capital assets				<u>(21,046,702)</u>
Net investment in capital assets for government- wide statements				<u>\$ 13,579,866</u>

**VILLAGE OF SOMERS  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**NOTE IV – DETAILED NOTES ON ALL FUNDS (continued)**

**C. CAPITAL ASSETS (continued)**

Depreciation expense was charged to functions as follows:

<b>Governmental Activities</b>			
General Government		\$	65,111
Public Safety			365,119
Public Works			432,381
Leisure Activities			11,629
Total Governmental Activities - Depreciation Expense		<u>\$</u>	<u>874,240</u>

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
<b>Business-Type Activities</b>				
Capital Assets not being depreciated:				
Land	\$ -	\$ 4,000	\$ -	\$ 4,000
Intangible Assets	21,660	-	-	21,660
Construction in Progress	19,496,710	8,757,357	(22,873,847)	5,380,220
Total Capital Assets not being depreciated	<u>19,518,370</u>	<u>8,761,357</u>	<u>(22,873,847)</u>	<u>5,405,880</u>
Other Capital Assets:				
Utility Plant in Service	48,112,274	21,587,286	(187,981)	69,511,579
Machinery & Equipment	2,806,092	13,744	33,151	2,852,987
Intangible Asset - Software	38,733	-	-	38,733
Total Other Capital Assets at Historical Cost	<u>50,957,099</u>	<u>21,601,030</u>	<u>(154,830)</u>	<u>72,403,299</u>
Less: Accumulated Depreciation	<u>(13,393,875)</u>	<u>(1,345,057)</u>	<u>147,554</u>	<u>(14,591,378)</u>
Net Total Other Capital Assets	<u>37,563,224</u>	<u>20,255,973</u>	<u>(7,276)</u>	<u>57,811,921</u>
Net Total Business-Type Activities Capital Assets	<u>\$ 57,081,594</u>	<u>\$ 29,017,330</u>	<u>\$ (22,881,123)</u>	<u>\$ 63,217,801</u>

Add: Net book value of fixed assets reported in Proprietary Funds and paid for by Governmental Funds	\$ (17,800,776)
Less debt related to capital assets	<u>(16,695,553)</u>
Net investment in capital assets for government-wide statements	<u>\$ 28,721,472</u>

**VILLAGE OF SOMERS  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

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**NOTE IV – DETAILED NOTES ON ALL FUNDS (continued)**

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**C. CAPITAL ASSETS (continued)**

Depreciation expense was charged to functions as follows:

**Business - Type Activities**

Utility District #1	\$	795,619
Somers Water Utility		408,045
KR Utility District		141,393
Total Business - Type Activities Depreciation Expense	\$	<u>1,345,057</u>

**D. INTERFUND RECEIVABLES/PAYABLES AND TRANSFERS**

The interfund balances shown below reflect a long-term loan formalized between the funds due to major projects completed in prior years not funded by external debt. The Water Fund owed \$584,372 to the KR Utility District with an interest rate of 0.17% over 20 years with a maturity date of 2033. As of December 31, 2022, the balance is \$323,860.

	<u>Principal</u>	<u>Interest</u>	
For Year Ending December 31,			
2023	\$ 29,192	\$ 551	
2024	29,242	501	
2025	29,292	451	
2026	29,342	401	
2027	29,391	352	
2028-2032	147,708	1,007	
2033	29,693	50	
	<u>\$323,860</u>	<u>\$ 3,313</u>	

**VILLAGE OF SOMERS  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

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**NOTE IV – DETAILED NOTES ON ALL FUNDS (continued)**

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***D. INTERFUND RECEIVABLES/PAYABLES AND TRANSFERS (continued)***

The following is a schedule of interfund receivables and payables.

Fund	Amount due from (to) other funds		
	Inter-fund Cash	Inter-fund Taxes	Total
	General Fund	\$ 2,131,311	\$ (4,465,259)
Debt Service	-	4,022,099	4,022,099
Park Fund	-	-	-
TID #1	-	23,442	23,442
TID #2	-	-	-
TID #3	(354,433)	-	(354,433)
TID #4	(198,330)	-	(198,330)
TID #5	(99,136)	-	(99,136)
TID #7	(19,177)	-	(19,177)
TID #8	(232,720)	-	(232,720)
TID #9	(19,089)	-	(19,089)
TID #10	(8,078)	-	(8,078)
TID #11	(19,071)	-	(19,071)
Capital Projects	(635,699)	-	(635,699)
Water Utility	(545,578)	35,132	(510,446)
KR Utility Dist.	-	9,143	9,143
Utility Dist. #1	-	88,434	88,434
Storm Water Utility	-	287,009	287,009
	\$ -	\$ -	\$ -

All of these balances will be repaid within the year.

All balances resulted 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. For the Statement of Net Position, interfund balances which are owed within the governmental activities or business-type activities are netted and eliminated.

Amounts owed between governmental and business-type activities are shown as “internal balances” on the Statement of Net Position.

**VILLAGE OF SOMERS  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**NOTE IV – DETAILED NOTES ON ALL FUNDS (continued)**

***D. INTERFUND RECEIVABLES/PAYABLES AND TRANSFERS (continued)***

Generally, transfers are used to (1) move revenues from the fund that collects 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 revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations. The following are transfers for 2022:

Fund	In	Out	Reason
KR Utility District	\$ 69,097	\$ -	Fund Utility improvements
Utility District #1	539,381	-	Fund Utility improvements
Somers Water Fund	2,074,362	-	Fund Utility improvements
TID #1	-	1,039,242	Fund Utility improvements
TID #3	-	370,286	Fund Utility improvements
TID #6	-	1,273,312	Fund Utility improvements
TID #8	-	-	Fund Utility improvements
TID #2	21,979	-	Fund TID development
Debt Service Fund	-	21,979	Fund TID development

***E. LONG-TERM OBLIGATIONS***

Long-term obligations activity for the year ended December 31, 2022 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
<b>Governmental Activities</b>					
Bonds and Notes Payable:					
General Obligation Bond	\$ 5,970,941	\$ -	\$ 1,024,381	\$ 4,946,560	\$ 1,054,598
General Obligation Corporate Purpose	8,240,000	-	465,000	7,775,000	490,000
Revenue Bonds	6,065,000	-	270,000	5,795,000	325,000
Promissory Note	-	1,073,197	-	1,073,197	-
State Trust Fund Loan	-	-	-	-	-
Tax Increment Project Revenue Bond	425,000	-	350,000	75,000	75,000
Add/(Subtract) Deferred Amounts For: (Discounts)/Premiums	345,759	-	22,429	323,330	-
<b>Total Bonds and Notes Payable</b>	<b>21,046,700</b>	<b>1,073,197</b>	<b>2,131,810</b>	<b>19,988,087</b>	<b>1,944,598</b>
Other Liabilities:					
Post Retirement Benefits	1,540,774	80,008	-	1,620,782	-
Vested Vacation and Sick Days	233,598	239,144	233,598	239,144	85,215
Developer Reimbursement Obligation	11,581,459	2,245,679	-	13,827,138	-
<b>Total Other Liabilities</b>	<b>13,355,831</b>	<b>2,564,831</b>	<b>233,598</b>	<b>15,687,064</b>	<b>85,215</b>
<b>Total Governmental Activities-</b>					
<b>Long-Term Liabilities</b>	<b>\$ 34,402,531</b>	<b>\$ 3,638,028</b>	<b>\$ 2,365,408</b>	<b>\$ 35,675,151</b>	<b>\$ 2,029,813</b>

**VILLAGE OF SOMERS  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**NOTE IV – DETAILED NOTES ON ALL FUNDS (continued)**

**E. LONG TERM OBLIGATIONS (continued)**

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
<b>Business-Type Activities</b>					
Bonds and Notes Payable:					
General Obligation Bond	\$ 7,744,059	\$ -	\$ 1,165,619	\$ 6,578,440	\$ 1,190,401
Capital Leases	25,646	-	25,646	-	-
Revenue Bonds	7,016,134	3,141,794	292,328	9,865,600	356,448
Add/(Subtract) Deferred Amounts For:					
Premium (Discounts)	278,765	-	27,252	251,513	-
Total Bonds and Notes Payable	<u>15,064,604</u>	<u>3,141,794</u>	<u>1,510,845</u>	<u>16,695,553</u>	<u>1,546,849</u>
Other Liabilities:					
Post Retirement Benefits	295,285	-	1,845	293,440	-
Vested Vacation and Sick Days	37,268	31,804	37,268	31,804	5,620
Total Other Liabilities	<u>332,553</u>	<u>31,804</u>	<u>39,113</u>	<u>325,244</u>	<u>5,620</u>
<b>Total Business-Type Activities- Long-Term Liabilities</b>	<u>\$ 15,397,157</u>	<u>\$ 3,173,598</u>	<u>\$ 1,549,958</u>	<u>\$ 17,020,797</u>	<u>\$ 1,552,469</u>

**GENERAL OBLIGATION DEBT**

All general obligation notes and bonds payable are backed by the full faith and credit of the Village. Notes and bonds in the governmental funds will be retired by future property tax levies accumulated by the debt service fund. Business-type activities debt is payable by revenues from user fees of those funds or, if the revenues are not sufficient, by future tax levies.

In accordance with Wisconsin Statutes, total general obligation indebtedness of the Village and Town may not exceed five percent of the equalized value of taxable property within the Village and Town's jurisdiction. The debt limit as of December 31, 2022, was \$53,488,305.

The Village's legal margin for creation of additional general obligation debt on December 31, 2022 was \$34,188,305 as follows:

Equalized valuation of the Village	\$ 1,069,766,100
Statutory limitation percentage	(x) 5%
General obligation debt limitation, per Section 67.03 of the Wisconsin Statutes	<u>53,488,305</u>
Net outstanding general obligation debt applicable to debt limitation	<u>19,300,000</u>
Legal margin for new debt	<u>\$ 34,188,305</u>

The Village is not obligated in any manner for special assessment debt.

**VILLAGE OF SOMERS  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

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**NOTE IV – DETAILED NOTES ON ALL FUNDS (continued)**

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***E. LONG TERM OBLIGATIONS*** (continued)

***GENERAL OBLIGATION DEBT*** (continued)

General obligation debt currently outstanding is detailed as follows:

	<u>Date of Issue</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Original Indebtedness</u>	<u>Balance 12/31/22</u>
<u>Governmental Activities - General Obligation Debt</u>					
General Obligation Refunding Bond	2015	2026	2.00 - 3.50%	\$ 199,220	\$ 106,395
General Obligation Corporate Purpose Bonds	2016	2025	2.00 - 3.00%	5,170,000	3,770,000
General Obligation Refunding Bond	2017	2027	2.02%	4,364,002	1,295,165
General Obligation Refunding Bond	2018	2036	3.15% - 4.5%	1,675,000	1,400,000
General Obligation Refunding Bond	2020	2030	2.00%	1,660,000	1,330,000
General Obligation Refunding Bond	2021	2041	0.30% - 3.00%	5,080,000	4,820,000
Total Governmental Activities - General Obligation Debt					<u>\$ 12,721,560</u>

**VILLAGE OF SOMERS  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

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**NOTE IV – DETAILED NOTES ON ALL FUNDS (continued)**

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**E. LONG-TERM OBLIGATIONS** (continued)

**GENERAL OBLIGATION DEBT** (continued)

Business type activities debt service requirements to maturity are as follows:

	<u>Date of Issue</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Original Indebtedness</u>	<u>Balance 12/31/22</u>
<u>Business Type Activities - General Obligation Debt</u>					
Capital Lease	2012	2022	3.63%	\$ 219,986	\$ -
General Obligation Refunding Bond	2015	2027	2.00 - 3.50%	8,975,780	4,793,605
General Obligation Refunding Bond	2017	2027	2.02%	84,098	39,835
General Obligation Refunding Bond	2021	2041	0.30% - 3.00%	1,855,000	<u>1,745,000</u>
Total Business Type Activities - General Obligation Debt					<u>\$ 6,578,440</u>
Total General Obligation Debt					<u>\$ 19,300,000</u>

**VILLAGE OF SOMERS  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

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**NOTE IV – DETAILED NOTES ON ALL FUNDS (continued)**

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**E. LONG-TERM OBLIGATIONS (continued)**

**GENERAL OBLIGATION DEBT (continued)**

Annual principal and interest maturities of the outstanding general obligation debt of \$19,300,000 on December 31, 2022 are detailed below:

Years	Governmental Activities Debt		Business-Type Activities Debt		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2023	\$ 1,544,598	\$ 355,881	\$ 1,190,402	\$ 173,481	\$ 2,735,000	\$ 529,362
2024	1,115,032	312,126	1,199,968	137,638	2,315,000	449,764
2025	1,100,358	284,967	1,219,642	101,343	2,320,000	386,310
2026	1,150,141	256,914	1,214,859	63,468	2,365,000	320,382
2027	966,431	211,932	623,569	33,246	1,590,000	245,178
2028-2032	3,840,000	653,354	685,000	79,450	4,525,000	732,804
2033-2037	2,680,000	186,100	445,000	13,450	3,125,000	199,550
2038-2041	325,000	13,450	-	-	325,000	13,450
	<u>\$ 12,721,560</u>	<u>\$ 2,274,724</u>	<u>\$ 6,578,440</u>	<u>\$ 602,076</u>	<u>\$ 19,300,000</u>	<u>\$ 2,876,800</u>

**VILLAGE OF SOMERS  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

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**NOTE IV – DETAILED NOTES ON ALL FUNDS (continued).**

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***E. LONG TERM OBLIGATIONS*** (continued)

**REVENUE BONDS**

Revenue bonds outstanding on December 31, 2022 totaled \$15,735,602 and was comprised of the following issues:

	<u>Date of Issue</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Original Indebtedness</u>	<u>Balance 12/31/22</u>
<u>Governmental Activities - Revenue Bonds</u>					
Revenue Bond	2017	2037	3.08%	3,165,000	\$ 2,545,000
Bonds	2018	2036	3.5% - 5%	3,515,000	3,250,000
Tax Increment Project Revenue Bond	2018	2023	None	875,000	<u>75,000</u>
Total Governmental Activities - Revenue Bonds					<u>\$ 5,870,000</u>
	<u>Date of Issue</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Original Indebtedness</u>	<u>Balance 12/31/22</u>
<u>Business Type Activities - Revenue Bonds</u>					
Revenue Bonds	2016	2036	2.00 - 3.00%	2,055,000	\$ 1,545,000
Revenue Bonds	2017	2037	2.00 - 4.00%	1,420,150	930,000
Safe Drinking Water Loan	2021	2050	1.595%	2,918,578	3,740,062
Clean Water Fund Loan	2021	2050	1.595%		<u>3,650,538</u>
Total Business Type Activities - Revenue Bonds					<u>\$ 9,865,600</u>
Total Revenue Bonds					<u>\$ 15,735,600</u>

**VILLAGE OF SOMERS  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

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**NOTE IV – DETAILED NOTES ON ALL FUNDS (continued).**

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**E. LONG TERM OBLIGATIONS** (continued)

**REVENUE BONDS** (continued)

Annual principal and interest maturities of the outstanding revenue bonds of \$15,735,600 on December 31, 2022 are detailed below:

Years	Governmental Activities Debt		Business-Type Activities Debt		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2023	\$ 400,000	\$ 226,596	\$ 356,448	\$ 188,307	\$ 756,448	\$ 414,903
2024	340,000	214,866	359,820	181,751	699,820	396,617
2025	345,000	202,591	368,247	174,347	713,247	376,938
2026	345,000	190,041	376,728	166,263	721,728	356,304
2027	375,000	175,891	380,264	158,048	755,264	333,939
2028-2032	2,095,000	612,693	2,041,376	655,848	4,136,376	1,268,541
2033-2037	1,970,000	175,401	2,143,645	417,937	4,113,645	593,338
2038-2042	-	-	1,383,923	251,680	1,383,923	251,680
2043-2047	-	-	1,497,866	136,827	1,497,866	136,827
2048-2051	-	-	957,283	23,064	957,283	23,064
	<u>\$ 5,870,000</u>	<u>\$ 1,798,079</u>	<u>\$ 9,865,600</u>	<u>\$ 2,354,072</u>	<u>\$ 15,735,600</u>	<u>\$ 4,152,151</u>

Governmental-activity revenue bonds

The Bonds are not general obligations of the Village but are special, limited obligations of the Village payable from revenues that are appropriated by the Village Board of the Village. The Village Board fully expects and anticipates that each year debt service is due on the Bonds, it shall appropriate Available Tax Increment to be derived from property in the TID in an amount sufficient to pay such amount in full. If a shortfall does occur, it will appropriate funds from other available funds of the Village sufficient to fund any such shortfall.

Business-type activity revenue bonds

The Village has pledged future utility district and water customers revenues, net of specified operating expenses, to repay the utility district and the water revenue bonds.

**VILLAGE OF SOMERS  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

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**NOTE IV – DETAILED NOTES ON ALL FUNDS (continued).**

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***E. LONG TERM OBLIGATIONS*** (continued)

***REVENUE BONDS*** (continued)

***Other Debt Information***

For debt with variable rates, each debt payment has a specified interest rate.

Estimated payments of compensated absences are not included in the debt service requirement schedules. The compensated absences liability attributable to governmental activities will be liquidated primarily by the general fund.

There are a number of limitations and restrictions contained in the various bond indentures and loan agreements. The Village believes it is in compliance with all significant limitations and restrictions.

The Village entered into an agreement with Bear Development for a tax increment revenue bond in exchange for infrastructure improvements paid for by Bear. Payment of the bond is dependent on the Village having sufficient TID revenues and other factors that are expected to occur.

In 2022 the Village obtained a construction line of credit from Tri-City bank, which bears interest at 3.15 % and matures May 1, 2027. No principal payments are due until maturity. Interest is payable annually on the outstanding balance. The balance outstanding at December 31, 2022 was \$1,073,197.

***F. RESTRICTED ASSETS***

The Village's Restricted Assets at December 31, 2022 consisted of cash and cash equivalents as follows:

General Fund	22,977
Debt Service	
Tax Incremental District #1	\$ 215,854
Tax Incremental District #2	351,500
Total Debt Service	<u>\$ 567,354</u>
Special Revenue Funds	
Drainage	\$ 46,997
Ravine Park	25,404
Park	34,588
Total Special Revenue Funds	<u>\$ 106,989</u>
Utility District #1	
Debt Service	\$ 138,986
Total Utility District #1	<u>\$ 138,986</u>
Somers Water	
Debt Service	\$ 182,827
Total Somers Water	<u>\$ 182,827</u>
Total Restricted Cash and Assets	<u><u>\$ 1,019,133</u></u>

**VILLAGE OF SOMERS  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

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**NOTE IV – DETAILED NOTES ON ALL FUNDS (continued).**

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***G. LEASE DISCLOSURES***

The Village leases land for a cell tower to telecommunications company. The lease is for 20 years and ends on April 8, 2029. Rent is payable in monthly installments of \$2,160 and is adjusted for inflation. The Village recognized rental income of \$18,073 and \$5,011 of interest income on this lease for the year ended December 31, 2022. The remaining amount receivable on this lease is \$172,170. Deferred inflows on the lease totaled \$112,954 for the year ended December 31, 2022.

The Village leases land for a second cell tower to another telecommunications company. The lease is for 25 years and ends on November 6, 2048. Rent is payable in annual installments of \$26,030 and is adjusted for inflation. The Village recognized rental income of \$11,210 and \$14,164 of interest income on this lease for the year ended December 31, 2022. The remaining amount receivable on this lease is \$506,956. Deferred inflows on the lease totaled \$280,258 for the year ended December 31, 2022.

The Village leases farm land to an individual. The lease is for three years and ends on December 31, 2024. Rent is payable in annual installments of \$7,560. The Village recognized rental income of \$7,361 and \$199 of interest income on this lease for the year ended December 31, 2022. The remaining amount receivable on this lease is \$15,120. Deferred inflows on the lease totaled \$14,722 for the year ended December 31, 2022.

***H. GOVERNMENTAL AND BUSINESS-TYPE ACTIVITIES NET POSITION***

Governmental activities net position reported on the government-wide Statement of Net Position at December 31, 2022 includes the following:

**GOVERNMENTAL ACTIVITIES**

Net Investment in Capital Assets	
Land and construction in progress	\$ 1,143,695
Other capital assets, net of accumulated depreciation	15,682,097
Business-type capital assets bonded with government-type debt	17,800,776
Less: related long-term debt outstanding (net of unspent proceeds of debt and vacation accrual)	(21,046,702)
Total Investment in Capital Assets	13,579,866
Restricted for net pension asset	1,152,950
Unrestricted (deficit)	(22,735,365)
Total Governmental Activities Net Position	\$ (8,002,549)

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**NOTE IV – DETAILED NOTES ON ALL FUNDS (continued)**

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**VILLAGE OF SOMERS  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**H. GOVERNMENTAL AND BUSINESS-TYPE ACTIVITIES NET POSITION** (continued)

**BUSINESS-TYPE ACTIVITIES**

	KR Utility District	Utility District #1	Somers Water	Storm Water Utility	Total
Net Investment in Capital Assets					
Land and construction in progress	\$ 69,098	\$ 2,633,909	\$ 2,641,959	\$ 35,255	\$ 5,380,221
Other capital assets, net of accumulated depreciation	6,075,151	28,053,084	23,709,345	-	57,837,580
Less: related long-term debt outstanding (net of unspent proceeds of debt and vacation accrual	-	(10,202,222)	(6,493,331)	-	(16,695,553)
Net book value of fixed assets reported in Proprietary Funds and paid for by Governmental Funds	<u>(5,463,008)</u>	<u>(3,072,301)</u>	<u>(9,265,467)</u>	<u>-</u>	<u>(17,800,776)</u>
Total Investment in Capital Assets	681,241	17,412,470	10,592,506	35,255	28,721,472
Restricted for net pension asset	13,898	80,501	49,849	-	144,248
Unrestricted	<u>6,244,724</u>	<u>14,802,081</u>	<u>11,815,124</u>	<u>781,728</u>	<u>33,643,657</u>
Total Business-Type Activities Net Position	<u>\$ 6,939,863</u>	<u>\$ 32,295,052</u>	<u>\$ 22,457,479</u>	<u>\$ 816,983</u>	<u>\$ 62,509,377</u>

**VILLAGE OF SOMERS  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

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**NOTE IV – DETAILED NOTES ON ALL FUNDS (continued)**

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**H. GOVERNMENTAL AND BUSINESS-TYPE ACTIVITIES NET POSITION (continued)**

Governmental fund balances reported on the fund financial statements at December 31, 2022 include the following:

**Nonspendable**

Major Funds	
General Fund - prepaid expenses	\$ 7,276
Total Nonspendable	<u>\$ 7,276</u>

**Restricted**

Major Funds	
Debt Service - debt service purposes only	\$5,965,134
Non-Major Funds	
Tax Incremental Districts - TID purposes only	\$ 819,599
Drainage Fund - drainage purposes only	139,956
Park Fund - park purposes only	55,017
Total Restricted	<u>\$6,979,706</u>

**Assigned**

Major Funds	
Fourth of July Parade	\$ 3,773
General Fund - subsequent year expenditures	524,848
General Fund - unspent donation	1,000
Total Assigned	<u>\$ 529,621</u>

**Unassigned**

Major Funds	
General Fund - undesignated funds	\$4,568,829
Non-Major Funds	
Tax Incremental Districts - deficit (See Note III C.)	<u>(2,023,338)</u>
Total Unassigned	<u>\$2,545,491</u>

**VILLAGE OF SOMERS  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

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**NOTE V – OTHER INFORMATION**

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**A. EMPLOYEES' RETIREMENT SYSTEM**

**Summary of Significant Accounting Policies**

**Pensions.** For purposes of measuring the Net Pension Liability (Asset), Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions, and Pension Expense (Revenue), information about the fiduciary net position of the Wisconsin Retirement System (WRS) and additions to/deductions from WRS' fiduciary net position have been determined on the same basis as they are reported by the WRS. 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.

**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 issued a standalone Annual Comprehensive Financial Report (ACFR), which can be found at <https://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.

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.

**VILLAGE OF SOMERS  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

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**NOTE V – OTHER INFORMATION** (continued)

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**A. EMPLOYEES’ RETIREMENT SYSTEM** (continued)

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

**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 reporting period, the WRS recognized \$182,465 in contributions from the employer.

**VILLAGE OF SOMERS  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

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**NOTE V – OTHER INFORMATION (continued)**

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**A. EMPLOYEES’ RETIREMENT SYSTEM (continued)**

Contribution rates as of December 31, 2021 are:

Employee Category	Employee	Employer
General (including teachers, executives, and elected officials)	6.75%	6.75%
Protective with Social Security	6.75%	11.75%
Protective without Social Security	6.75%	16.35%

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

At December 31, 2022, the Village reported a net pension asset of \$1,297,198 for its proportionate share of the Net Pension Asset. The Net Pension 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 Village’s proportion of the Net Pension Asset was based on the Village’s share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2021, the Village’s proportion was 0.01609392%, which was an increase of 0.00061508% from its proportion measured as of December 31, 2020.

For the year ended December 31, 2022 the Village recognized pension revenue of (\$157,924).

At December 31, 2022, the Village 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	\$ 2,095,555	\$ 151,112
Net differences between projected and actual earnings on pension plan investments	-	2,901,942
Changes in assumptions	242,012	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	10,522	19,201
Employer contributions subsequent to the measurement date	197,148	-
<b>Total</b>	<b>\$ 2,545,237</b>	<b>\$ 3,072,255</b>

**VILLAGE OF SOMERS  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**NOTE V – OTHER INFORMATION** (continued)

**A. EMPLOYEES’ RETIREMENT SYSTEM** (continued)

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

\$197,148 reported as deferred outflows related to pension resulting from the WRS Employer’s contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability (asset) in the year ended December 31, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Year ended December 31	Deferred Outflow of Resources	Deferred Inflows of Resources
2022	\$ 1,186,276	\$ (1,258,405)
2023	740,949	(1,090,154)
2024	536,463	(690,598)
2025	252,502	(401,197)
2026	-	-
Total	<u>\$ 2,716,190</u>	<u>\$ (3,440,354)</u>

**Actuarial assumptions.** The total pension liability in the December 31, 2021, 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.

**VILLAGE OF SOMERS  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**NOTE V – OTHER INFORMATION** (continued)

**A. EMPLOYEES’ RETIREMENT SYSTEM** (continued)

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

Actuarial assumptions are based upon an experience study conducted in 2018 that covered a three-year period from January 1, 2018 to December 31, 2020. 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.

**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  
As of December 31, 2021**

<u>Core Fund Asset Class</u>	<u>Asset Allocation %</u>	<u>Long-Term Expected Nominal Rate of Return %</u>	<u>Long-Term Expected Real Rate of Return %</u>
Global Equities	52	6.8	4.2
Fixed Income	25	4.3	1.8
Inflation Sensitive	19	2.7	.2
Real Estate	7	5.6	3
Private Equity/Debt	12	9.7	7
Total Core Fund	115	6.6	4
<u>Variable Fund Asset Class</u>			
U.S. Equities	70	6.6	4.1
International Equities	30	7.4	4.9
Total Variable Fund	100	7.1	4.6

New England Pension Consultants Long Term US CPI (Inflation) Forecast: 2.5%  
Asset Allocations are managed within established ranges; target percentages may differ from actual monthly allocations.

**VILLAGE OF SOMERS  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

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**NOTE V – OTHER INFORMATION** (continued)

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**A. EMPLOYEES’ 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 6.8% 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 6.8% 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 6.8% 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 Village’s proportionate share of the net pension liability (asset) to changes in the discount rate.** The following presents the Village’s proportionate share of the net pension liability (asset) calculated using the discount rate of 6.80 percent, as well as what the Village’s proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (5.80 percent) or 1-percentage-point higher (7.80 percent) than the current rate:

	1% Decrease to Discount Rate 5.80%	Current Discount Rate 6.80%	1% Increase to Discount Rate 7.80%
Entity’s proportionate share of the net pension liability (asset)	\$ 920,454	\$ (1,297,198)	\$ (2,893,497)

**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>.

**VILLAGE OF SOMERS  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

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**NOTE V – OTHER INFORMATION (continued)**

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***B. OTHER POSTEMPLOYMENT BENEFITS (OPEB)***

***RETIREE HEALTH INSURANCE***

***Plan Descriptions and Benefit Information***

The Village of Somers Retiree Health Insurance Plan is a single-employer plan. The plan is administered by the Village and does not issue a standalone financial report. Certain retirees and certain non-represented employees of the Village, identified by name in the employee manual, are eligible for the benefit, along with the Village's new and existing firefighters. The Village pays a portion of these individuals' health insurance premiums for continued coverage under the then-existing Village group health insurance plan following retirement and until eligibility for Medicare insurance. Alternatively, retirees who have become eligible for Medicare supplemental insurance, may be entitled to payments of a portion of their Medicare supplemental health insurance premiums based upon a pre-determined and approved schedule available in the employee manual. The partial premium payments are for the retiree only and do not include family or spousal coverage. As related to OPEB, retirees are retired firefighters or non-represented employees or who were eligible for health insurance coverage from the Village for a period of not less than five (5) years prior to retirement and who have retired from such employment with the Village in good standing. Apart from the firefighters, no benefit is available for any retiree who was not a full-time, non-represented employee of the Village on or before January 1, 2011.

***Funding Policy***

The Village contribution is based on actual pay-as-you-go expenditures. Premium payments are made as a reimbursement of eligible costs directly to the retiree according to the details set forth in the employee manual. This manual, and the post-employment benefits offered have been established and can be amended by the Somers Village Board. No assets are accumulated in a trust that meets all of the criteria in GASB Statement No. 75, paragraph 4. The trust does not meet the criterion that the Village's contributions be irrevocable.

***Actuarial Methods and Assumptions***

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point.

The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations. The Village generated an OPEB financial report with a valuation date of December 31, 2022 through the GASB help website, a service of the actuarial firm, Milliman, Inc. This method is called the Alternative Measurement Method, which is done in place of a full actuarial valuation.

**VILLAGE OF SOMERS  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

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**NOTE V – OTHER INFORMATION (continued)**

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***B. OTHER POSTEMPLOYMENT BENEFITS (OPEB)*** (continued)

***RETIREE HEALTH INSURANCE*** (continued)

Assumptions and methods used in this valuation are summarized as follows:

Age Adjustment Factor:	1.360
Average Retirement Age:	50 for Fire Dept; 65 for others
Employer Future Premium Contribution:	Remain a level % of the total cost over time
Actuarial Cost Method:	Entry Age Normal
Amortization Method:	Level Percentage of Payroll
Assets Backing OPEB Liability:	\$0
Plan Asset Return:	0.000%
Bond Yield:	3.620%
Discount Rate:	3.620%
Measurement Date:	12/31/2022
Prior Measurement Date:	12/31/2021
Prior Year Discount Rate:	3.460%
Projected Salary Increases:	3.00%
Amortization Period:	20
Percentage Participation:	100.00%
NOL and ADC:	Calculated using the Alternative Measurement Method in accordance with GASB methodology.
Mortality Table:	Pub-2010 Public Retirement Plans Mortality Tables, with mortality improvement projected for 10 years.
Turnover Assumption:	Derived from data maintained by the U.S. Office of Personnel Management regarding the most recent experience of the employee group covered by the Federal Employees Retirement System

The Village adopted the current employee manual providing these other post-employment benefits with an effective date of January 1, 2011. The Village has not established a separate, irrevocable trust to fund the annual OPEB cost. The Village used a 20-year tax-exempt municipal bond yield rate since the plan's net position is not projected to cover benefit payments. The Village administers the plan and has not allocated administrative expenses specifically to the plan.

**VILLAGE OF SOMERS  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**NOTE V – OTHER INFORMATION** (continued)

**B. OTHER POSTEMPLOYMENT BENEFITS (OPEB)** (continued)

**RETIREE HEALTH INSURANCE** (continued)

The Village reported an OPEB liability of \$1,393,450 for the year ended December 31, 2022. Below is a calculation of the liability using a discount rate that is 1% greater and 1% less than the baseline rate shown on the previous table:

	1% Decrease to Discount Rate 2.460%	Current Discount Rate 3.460%	1% Increase to Discount Rate 4.460%
Net OPEB liability	\$ 1,553,185	\$ 1,393,450	\$ 1,254,200

Changes to the OPEB liability from the prior year to the current year are explained below:

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balance at December 31, 2021	\$ 1,260,448	\$ -	\$ 1,260,448
Changes for the year:			
Service cost	29,939	-	29,939
Interest	44,569	-	44,569
Contributions and benefit payments	(4,555)	-	(4,555)
Economic/demographic gains or losses	87,144	-	87,144
Changes in assumptions or inputs	(24,095)	-	(24,095)
Net changes	133,002	-	133,002
Balance at December 31, 2022	\$ 1,393,450	\$ -	\$ 1,393,450

The Village recognized an OPEB expense of \$29,939 for the year ended December 31, 2022. No payables were outstanding as of the end of the year.

Information about the number of active/inactive employees and retirees was as follows:

Village of Somers Retiree Health Insurance Plan	
Inactive employees or beneficiaries currently receiving benefit payments	6
Active employees	12
	18

**VILLAGE OF SOMERS  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

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**NOTE V – OTHER INFORMATION** (continued)

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**B. OTHER POSTEMPLOYMENT BENEFITS (OPEB)** (continued)

**RETIREE HEALTH INSURANCE** (continued)

The healthcare baseline trend rate used in the calculation is as follows:

	Medical	Pharmacy	Dental	Vision
Year 1	4.90%	5.20%	3.50%	3.00%
Year 2	4.80%	4.80%	3.50%	3.00%
Year 3	4.70%	4.70%	3.00%	3.00%
Year 4	4.70%	4.60%	3.00%	3.00%
Year 5	4.60%	4.50%	3.00%	3.00%
Year 6	4.50%	4.40%	3.00%	3.00%
Year 7	4.40%	4.30%	3.00%	3.00%
Year 8	4.30%	4.20%	3.00%	3.00%
Year 9	4.30%	4.20%	3.00%	3.00%
Year 10	4.30%	4.20%	3.00%	3.00%

Below is a calculation of the OPEB liability using a 1% decrease and a 1% increase to the base healthcare trend rates:

	<b>Healthcare Cost</b>		
	<u>1% Decrease</u>	<u>Baseline Trend Rate</u>	<u>1% Increase</u>
Net OPEB liability	\$ 1,240,734	\$ 1,393,450	\$ 1,567,510

**LOCAL RETIREE LIFE INSURANCE FUND (LRLIF)**

**Other Post-Employment Benefits (OPEB).** The fiduciary net position of the Local Retiree Life Insurance Fund (LRLIF) has been determined using the flow of economic resources measurement focus and the accrual basis of accounting. This includes for purposes of measuring the Net OPEB Liability, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Other Post-Employment Benefits, OPEB Expense (Revenue), and information about the fiduciary net position of the LRLIF and additions to/deductions from LRLIFs fiduciary net position have been determined on the same basis as they are reported by LRLIF. For this purpose, benefit payments (including refunds of member contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**Plan description.** The LRLIF is a multiple-employer defined benefit OPEB plan. LRLIF benefits and other plan provisions are established by Chapter 40 of the Wisconsin Statutes. The Wisconsin Department of Employee Trust Funds (ETF) and the Group Insurance Board have statutory authority for program administration and oversight. The plan provides post-employment life insurance benefits for all eligible members.

**VILLAGE OF SOMERS  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

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**NOTE V – OTHER INFORMATION** (continued)

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**B. OTHER POSTEMPLOYMENT BENEFITS (OPEB)** (continued)

**LOCAL RETIREE LIFE INSURANCE FUND (LRLIF)** (continued)

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

**Benefits provided.** The LRLIF plan provides fully paid-up life insurance benefits for post-age 64 retired employees and pre-65 retirees who pay for their coverage.

**Contributions.** The Group Insurance Board approves contribution rates annually, based on recommendations from the insurance carrier. Recommended rates are based on an annual valuation, taking into consideration an estimate of the present value of future benefits and the present value of future contributions. A portion of employer contributions made during a member’s working lifetime funds a post-retirement benefit.

Employers are required to pay the following contributions based on employee contributions for active members to provide them with Basic Coverage after age 65. There are no employer contributions required for pre-age 65 annuitant coverage. If a member retires prior to age 65, they must continue paying the employee premiums until age 65 in order to be eligible for the benefit after age 65.

Contribution rates as of December 31, 2022 are:

Coverage Type	Employer Contribution
50% Post Retirement Coverage	40% of employee contribution
25% Post Retirement Coverage	20% of employee contribution

Employee contributions are based upon nine age bands through age 69 and an additional eight age bands for those age 70 and over. Participating employees must pay monthly contribution rates per \$1,000 of coverage until the age of 65 (age 70 if active). The employee contribution rates in effect for the year ended December 31, 2021 are as listed below:

Life Insurance Employee Contribution Rates* For the year ended December 31, 2021		
Attained Age	Basic	Supplemental
Under 30	\$0.05	\$0.05
30-34	0.06	0.06
35-39	0.07	0.07
40-44	0.08	0.08
45-49	0.12	0.12
50-54	0.22	0.22
55-59	0.39	0.39
60-64	0.49	0.49
65-69	0.57	0.57
*Disabled members under age 70 receive a waiver-of-premium benefit.		

**VILLAGE OF SOMERS  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

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**NOTE V – OTHER INFORMATION** (continued)

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**B. OTHER POSTEMPLOYMENT BENEFITS (OPEB)** (continued)

**LOCAL RETIREE LIFE INSURANCE FUND (LRLIF)** (continued)

**OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEBs**

During the reporting period, the LRLIF recognized \$1,791 in contributions from the employer.

At December 31, 2022, the Village reported a liability of \$517,453 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of December 31, 2021, and the total OPEB liability used to calculate the net OPEB liability (asset) was determined by an actuarial valuation as of January 1, 2021 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 Village's proportion of the net OPEB liability (asset) was based on the Village's share of contributions to the OPEB plan relative to the contributions of all participating employers. At December 31, 2021, the Village's proportion was 0.08755000%, which was a decrease of 0.01709300% from its proportion measured as of December 31, 2020.

For the year ended December 31, 2022, the Village recognized OPEB expense of \$53,228 for the Fund. No payables were outstanding as of the end of the year.

At December 31, 2022, the Village reported deferred outflows of resources and deferred inflows of resources related to OPEBs from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 26,323
Net differences between projected and actual earnings on OPEB plan investments	6,732	-
Changes in assumptions	156,341	25,081
Changes in proportion and differences between employer contributions and proportionate share of contributions	76,627	140,415
Contributions subsequent to the measurement date	5,003	-
Total	<u>\$ 244,703</u>	<u>\$ 191,819</u>

\$5,003 reported as deferred outflows related to OPEB resulting from the LRLIF Employer's contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability (asset) in the year ended December 31, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

**VILLAGE OF SOMERS  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**NOTE V – OTHER INFORMATION** (continued)

**B. OTHER POSTEMPLOYMENT BENEFITS (OPEB)** (continued)

**LOCAL RETIREE LIFE INSURANCE FUND (LRLIF)** (continued)

Year ended December 31	Expense
2022	\$ 14,271
2023	13,490
2024	12,607
2025	17,586
2026	(684)
2027	(9,389)
Thereafter	-
Total	\$ 47,881

**Actuarial assumptions.** The total OPEB liability in the January 1, 2021, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date:	January 1, 2021
Measurement Date of Net OPEB Liability (Asset)	December 31, 2021
Experience Study:	January 1, 2018 – December 31, 2020, Published November 19, 2021
Actuarial Cost Method:	Entry Age Normal
20 Year Tax-Exempt Municipal Bond Yield:	2.06%
Long-Term Expected Rated of Return:	4.25%
Discount Rate:	2.17%
Salary Increases	
Inflation:	3.00%
Seniority/Merit:	0.1% - 5.6%
Mortality:	2020 WRS Experience Mortality Table

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. The Total OPEB Liability for December 31, 2021 is based upon a roll-forward of the liability calculated from the January 1, 2021 actuarial valuation.

**VILLAGE OF SOMERS  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

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**NOTE V – OTHER INFORMATION** (continued)

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**B. OTHER POSTEMPLOYMENT BENEFITS (OPEB)** (continued)

**LOCAL RETIREE LIFE INSURANCE FUND (LRLIF)** (continued)

**Long-term expected Return on Plan Assets.** The long-term expected rate of return is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation. Investments for the LRLIF are held with Securian, the insurance carrier. Interest is calculated and credited to the LRLIF based on the rate of return for a segment of the insurance carriers' general fund, specifically 10-year A- Bonds (as a proxy, and not tied to any specific investments). The overall aggregate interest rate is calculated using a tiered approach based on the year the funds were originally invested and the rate of return for that year. Investment interest is credited based on the aggregate rate of return and assets are not adjusted to fair market value. Furthermore, the insurance carrier guarantees the principal amounts of the reserves, including all interest previously credited thereto.

**Local OPEB Life Insurance  
Asset Allocation Targets and Expected Returns  
As of December 31, 2021**

<u>Asset Class</u>	<u>Index</u>	<u>Target Allocation</u>	<u>Long-Term Expected Geometric Real Rate of Return</u>
US Intermediate Credit Bonds	Bloomberg US Intern Credit	45.00%	1.68%
US Long Credit Bonds	Bloomberg US Long Credit	5.00%	1.82%
US Mortgages	Bloomberg US MBS	50.00%	1.94%
Inflation			2.30%
Long-Term Expected Rate of Return			4.25%

The long-term expected rate of return remained unchanged from the prior year at 4.25%. The long-term expected rate of return is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation. The expected inflation rate increased from 2.20% as of December 31, 2020 to 2.30% as of December 31, 2021.

**VILLAGE OF SOMERS  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

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**NOTE V – OTHER INFORMATION** (continued)

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**B. OTHER POSTEMPLOYMENT BENEFITS (OPEB)** (continued)

**Single Discount rate.** A single discount rate of 2.17% was used to measure the Total OPEB Liability for the current year, as opposed to a discount rate of 2.25% for the prior year. The significant change in the discount rate was primarily caused by the decrease in the municipal bond rate from 2.12% as of December 31, 2020 to 2.06% as of December 31, 2021. The Plan’s fiduciary net position was projected to be insufficient to make all projected future benefit payments of current active and inactive members. Therefore, the discount rate for calculating the Total OPEB Liability is equal to the single equivalent rate that results in the same actuarial present value as the long-term expected rate of return applied to benefit payments, to the extent that the plan’s fiduciary net position is projected to be sufficient to make projected benefit payments, and the municipal bond rate applied to benefit payment to the extent that the plan’s fiduciary net position is projected to be insufficient. The plan’s fiduciary net position was projected to be available to make projected future benefit payments of current plan members through December 31, 2036. The projection of cash flows used to determine the single discount rate assumed that employer contributions will be made according to the current employer contribution schedule and that contributions are made by plan members retiring prior to age 65.

**Sensitivity of the Village’s proportionate share of the net OPEB liability (asset) to changes in the discount rate.** The following presents the Village’s proportionate share of the net OPEB liability (asset) calculated using the discount rate of 2.17 percent, as well as what the Village’s proportionate share of the net OPEB liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (1.17 percent) or 1-percentage-point higher (3.17 percent) than the current rate:

	1% Decrease to Discount Rate (1.17%)	Current Discount Rate (2.17%)	1% Increase to Discount Rate (3.17%)
Entity's proportionate share of the net OPEB liability (asset)	\$ 701,997	\$ 517,453	\$ 378,591

**VILLAGE OF SOMERS  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

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**NOTE V – OTHER INFORMATION (continued)**

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***C. RISK MANAGEMENT***

The Village of Somers is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. It is the policy of the Village of Somers to purchase commercial insurance for the risks of losses to which it is exposed.

***D. COMMITMENTS AND CONTINGENCIES***

From time to time, the Village is party to various pending claims and legal proceedings. Although the outcome of such matters cannot be forecasted with certainty, it is the opinion of management and the Village's Attorney that the likelihood is remote that any such claims or proceedings will have a material adverse effect on the Village's financial position or results of operations.

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

***E. INTERGOVERNMENTAL AGREEMENT BETWEEN TOWN OF SOMERS AND VILLAGE OF SOMERS***

On April 24th, 2015, the Secretary of State for the State of Wisconsin issued an incorporation certificate, recognizing the Village of Somers (Village) as an independent Wisconsin municipality consisting of lands that were formerly located in the Town of Somers (Town).

The Town provided municipal services to the property owners and residents of the Town prior to the incorporation of the Village and in order to continue the adequate provision of services on a cost effective basis, the Town and Village entered into an agreement whereby the Village will provide the majority or all municipal services for the benefit of the Town and Village, and the Town and Village will share the costs of these services in accordance with the proportions and other terms listed below.

The Town and Village of Somers did annex a portion of the "Remnant Town" into the Village, leaving the remaining "B" area to be annexed by the City of Kenosha as a result of a boundary agreement between the Town of Somers and the City of Kenosha.

Wisconsin statute §66.0235 requires the Town and Village to apportion assets and liabilities as a result of the recent incorporation of the Village and further apportionment will be required in accordance with the boundary adjustments detailed in the Agreement.

**Terms of the Agreement:**

Term shall be 10 years from the effective date with mutual 10-year renewal until such time that the "B" Area is annexed to the City. The "Effective Date" shall be Midnight of December 31, 2015.

**VILLAGE OF SOMERS  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

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**NOTE V – OTHER INFORMATION (continued)**

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***F. INTERGOVERNMENTAL AGREEMENT BETWEEN TOWN OF SOMERS AND VILLAGE OF SOMERS***

Apportionments of Assets and Liabilities:

Before apportioning any other asset or liability, all monetary assets and liabilities presently owned or owed by the Town shall be apportioned in accordance with the formula contained at §66.0235(2)(b) based upon the average assessed valuation for the preceding five (5) years of the post-boundary-line change Town and Village areas, respectively. Because all assets permitted by law will be transferred by the Town to the Village, the goal is to ensure that assets and liabilities that must be divided by law are divided in the appropriate proportion before deciding the apportionment of any other tangible asset.

The majority of debt of the Town and Village is General Obligation (GO) Debt issued either through competitive bids, through the State Trust Fund, or by other means and backed by the full faith and credit of the Town prior to incorporation. It is required that this debt be apportioned between the Village and Town regardless of the purpose for which it was issued unless otherwise permitted by law.

Following apportionment, and as determined by the apportionment board, the Town may lease any real estate, buildings, road maintenance equipment, park equipment, vehicles, fire and rescue equipment, garbage and recycling equipment, and other similar non-monetary assets that it retains after apportionment, to the Village in exchange for payment of \$1.00 in annual consideration (the Village's compliance with the other terms and conditions contained in this Agreement will serve as additional consideration for said lease the receipt of which is acknowledged by Town).

Provision of Municipal Services:

All *public works and related services* that were previously provided by the Town for the benefit of the Town shall hereafter be provided by the Village for the benefit of the Town and Village.

The Village shall provide *fire and rescue services* to its own property owners and residents and to the Town's property owners and residents.

Parties to this agreement agree to jointly operate the *Somers Municipal Court* and share in its cost and revenue.

The Town is presently a party to a contract with a private contracted service providing *refuse and recycling services* to property owners and residents. This contract continued in force and effect for the duration of their term. The contract with the private vendor was transferred to the Village on the effective date of this intergovernmental agreement.

The Village shall be responsible for the maintenance of all parks located in the Town and Village.

Town and Village shall share all employees and administrative staff. The employees will be employees of the Village and the Town shall contribute to the cost. The record keeping will be performed by the Village staff. All employees of the Town shall be terminated by the Town and rehired by the Village on terms identical to the terms of their current employment with the Town. Any Collective Bargaining Agreement shall be assigned from the Town to the Village as of the Effective Date.

**VILLAGE OF SOMERS  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

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**NOTE V – OTHER INFORMATION (continued)**

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***F. INTERGOVERNMENTAL AGREEMENT BETWEEN TOWN OF SOMERS AND VILLAGE OF SOMERS***  
(continued)

The Town and Village shall appoint a common *Clerk and Treasurer* and share the cost.

Payment of Expenses Related to Shared Services:

Unless otherwise agreed by the Parties, the Town and Village shall be jointly responsible for the cost of all shared services in the nature of public works, public safety, refuse and recycling, parks, administrative staff, and costs resulting from the provision of similar services, as referenced above.

The Town and Village shall each pay the proportion of total expenses equal to their respective share of the total assessed value of all real and personal property located in the Town and Village in the prior year. This value shall be based upon legally taxable value as determined by the Village assessor.

Apportionment of Levy:

The apportionment of the levy shall be based upon the property originally approved by the State Department of Administration to become a Village, plus any subsequent properties annexed to the Village by ordinance adopted by the Village Board. In this case, to the degree practicable, the mill rate of the Village shall equal the mill rate of the Town. For the 2017 budget and subsequent budgets, the apportionment ratio shall be as determined by the Kenosha County Division of Land Information using the best information available as determined by the Division of Land Information. For 2021, the levy was assessed in compliance with these terms.

Assignment of Revenue:

The Town does hereby agree to assign revenues to the Village to the degree allowed by State or Federal agencies.

Contracts:

All contracts held by the Town in 2015 through 2017 were transferred to the Village.

Capital Expenditures:

The cost of any new capital equipment or other asset necessary or useful for the provision of the municipal services contemplated herein shall be apportioned between the Town and Village in a proportion equal to their respective shares of the total assessed value of all real and personal property located in the Town and Village in the prior year.

Capital Financing & Debt:

In accordance with 66.0301, all existing debt of the Town that was not already transferred to the Village on May 26, 2015 (the "Existing Debt") was transferred to the Village. It is the intention of the Village and the Town that each municipality share the cost of the Existing Debt in proportion to the assessed value (TID out) of each municipality. In order to evidence the intention to share the cost of the Existing Debt, the Town shall issue a general obligation promissory note (the "Note") to the Village for its proportionate share of the Existing Debt based upon its share of assessed value.

The Village will issue all future debt (the "New Debt") to fund municipal projects pursuant to this IGA, to include GO debt, leases, revenue bonds, conduit debt, or any other debt needed to fund the joint budget, the Utility, or any TIF district in the Village including refunding bonds. Therefore, in order to be able to

**VILLAGE OF SOMERS  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

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**NOTE V – OTHER INFORMATION** (continued)

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***F. INTERGOVERNMENTAL AGREEMENT BETWEEN TOWN OF SOMERS AND VILLAGE OF SOMERS***  
(continued)

adjust the principal amount of the Note to reflect either or both (1) any change in the proportionate share of assessed value and/or (2) additional obligations of the Town in connection with additional debt issued by the Village on behalf of the Town, the Note shall be issued for a two-year term. The payments due in the first year of the Note will reflect the Town's share of debt service on the Existing Debt and the New Debt in that same year and the payments due in the second year will be the remaining principal plus interest.

GO debt service for general fund debt, or other debt intended to be funded by tax levy through operation of this agreement shall be apportioned between the Town and Village based upon assessed value in accord with apportionment and assessment standards.

Resolution No. 2015-19 was signed on December 22, 2015 as a result of the incorporation of the Village and the existence of the Town. This resolution authorizes the issuance of a \$241,410.01 General Obligation promissory note to the Village of Somers to pay the Town's share of the cost of obligations incurred by the Town or on behalf of the Town.

*Tax provisions of the note:* For the purpose of paying the principal and interest of the note, the full faith, credit, and resources of the Town are irrevocably pledged, and it is levied upon all of the taxable property of the Town as a direct annual irrevocable tax in the years 2020 and 2021 for the payments due in the years 2020 and 2021 in the amounts in the following schedule.

<b>Payment Date</b>	<b>Principal</b>	<b>Interest</b>	<b>Total-Year</b>
3/1/2020	\$ -	\$ 17,323	\$ 17,323
9/1/2020	104,059	-	104,059
3/1/2021	-	12,408	12,408
9/1/2021	85,174	-	85,174

The Town's revenues are recorded within the Village's accounts so therefore this note is considered paid to the Village and not an outstanding receivable.

***G. INCORPORATION AND CLASSIFICATION OF TOWN RELATED REVENUE AND EXPENDITURES INTO THIS REPORT***

According to the IGA, the Village provides all services required by the Town and the Town reimburses these services based on their assessed valuation. The budget and the levy reflect those of both municipalities. Therefore, for accounting and management purposes, the Village records all of the revenues and expenditures of the Town in the Village's general ledger. For purposes of this audit report, Town revenues from the State or external sources are reported in the same classification in the Village books as the Village revenue. The expenditures of the Town are also reported in this audit report in the same functional categories as the Village expenditures.

**VILLAGE OF SOMERS  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

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**NOTE V – OTHER INFORMATION (continued)**

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***H. SUBSEQUENT EVENTS***

Management evaluated subsequent events through November 7, 2023, the date the financial statements were available to be issued. Management is not aware of any events that would require disclosure in the financial statement footnotes.

***I. PRIOR PERIOD ADJUSTMENTS***

As a result of adopting GASB Statement No. 87, *Leases*, the Village recognized a prior period adjustment of \$289,406 for the net difference between leases receivable and deferred inflows related to lessor agreements.

Prior year contributions to the utilities totaling \$2,248,751 were not recorded as contributed in the prior year. These are for engineering fees incurred by the TID funds that were paid on behalf of the water utility and Utility District #1. A prior period adjustment was required to recognize these contributions as part of the proprietary funds.

In addition, special assessments related to the utility improvements totaling \$520,000 were assessed in the prior year but not recognized. A prior period adjustment was reported to recognize these receivables.

***J. ACCOUNTING PRONOUNCEMENTS ADOPTED IN THE CURRENT YEAR***

In June 2017, the Governmental Accounting Standards Board (GASB) issued GASB Statement No. 87, *Leases*. This standard requires the recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and as inflows of resources or outflows of resources recognized based on the payment provisions of the contract. It 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 Village adopted the requirements of the guidance effective January 1, 2022, and has elected to apply the provisions of this standard retroactively. As a result of the implementation of this standard, the Village recorded lease receivables and deferred inflows of resources related to leases of \$693,648, deferred inflows related to leases of \$407,934, and a prior period adjustment to beginning net assets of \$289,405 in the governmental activities.

VILLAGE OF SOMERS

**REQUIRED SUPPLEMENTARY INFORMATION**

**VILLAGE OF SOMERS**  
**KENOSHA COUNTY, WISCONSIN**

**Schedule of Changes in Health Insurance OPEB Liability**

	<u>Last 10 Fiscal Years</u>				
	2018	2019	2020	2021	2022
Total OPEB Liability					
Balance as of Prior Measurement Date	\$ 1,349,694	\$ 1,147,677	\$ 1,159,112	\$ 1,300,638	\$ 1,260,448
Service Cost	46,073	32,110	29,939	29,939	29,939
Interest on Total OPEB Liability	34,792	50,745	43,567	43,567	44,569
Effect of Plan Changes	-	-	-	-	-
Effect of Economic/Demographic Gains of Losses	(63,230)	(63,231)	69,592	69,592	87,144
Effect of Assumptions Changes or Inputs	(211,463)	-	3,820	(178,965)	(24,095)
Benefit Payments	-	-	-	-	-
Employer Contributions	(8,189)	(8,189)	(5,392)	(4,323)	(4,555)
Employee Contributions	-	-	-	-	-
Net Investment Income	-	-	-	-	-
Administrative Expenses	-	-	-	-	-
Balance as of Current Measurement Date	<u>\$ 1,147,677</u>	<u>\$ 1,159,112</u>	<u>\$ 1,300,638</u>	<u>\$ 1,260,448</u>	<u>\$ 1,393,450</u>

**Schedule of Proportionate Share of the Net OPEB Liability (Asset)**  
**Retiree Health Insurance Plan - Last 10 Fiscal Years\***

Plan Year Ending	Net OPEB Liability	Fiduciary Net Position	Covered Employee Payroll	Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of Covered Employee Payroll		Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability (Asset)
				Covered Employee Payroll	Percentage of Covered Employee Payroll	
12/31/2017	\$ 1,349,694	\$ -	\$ 796,915	0.00%	0.00%	0.00%
12/31/2018	1,147,677	-	802,342	0.00%	0.00%	0.00%
12/31/2019	1,159,112	-	1,011,066	0.00%	0.00%	0.00%
12/31/2020	1,300,638	-	939,915	0.00%	0.00%	0.00%
12/31/2021	1,260,448	-	910,388	0.00%	0.00%	0.00%
12/31/2022	1,393,450	-	916,446	0.00%	0.00%	0.00%

\*This schedule is required to show data for the last ten fiscal years. More years will be added as data becomes available.

See Notes to Required Supplementary Information.

**VILLAGE OF SOMERS**  
**KENOSHA COUNTY, WISCONSIN**

**Schedule of Proportionate Share of the Net OPEB Liability (Asset)  
Local Government Life Insurance Fund - Last 10 Fiscal Years\***

Plan Year Ending	Proportion of the Net OPEB Liability (Asset)	Proportionate Share of the Net OPEB Liability (Asset)	Covered Employee Payroll	Share of the Net OPEB Liability (Asset) as a Percentage of Covered Employee Payroll	Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability (Asset)
12/31/2017	0.09932600%	\$ 298,830	\$ 4,176,942	7.15%	44.81%
12/31/2018	0.10632000%	274,341	1,711,000	16.03%	48.69%
12/31/2019	0.11095200%	472,455	1,810,000	26.10%	37.58%
12/31/2020	0.10464300%	575,612	1,889,000	30.47%	31.36%
12/31/2021	0.08755000%	517,453	1,609,000	32.16%	29.57%

\*This schedule is required to show data for the last ten fiscal years. More years will be added as data becomes available.

See Notes to Required Supplementary Information.

**VILLAGE OF SOMERS**  
**KENOSHA COUNTY, WISCONSIN**

**Schedule of Proportionate Share of the Net Pension Liability (Asset)**  
**Wisconsin Retirement System - Last 10 Fiscal Years**

Fiscal Year Ending	Proportion of the Net Pension Liability (Asset)	Proportionate Share of the Net Pension Liability (Asset)	Covered Employee Payroll	Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Covered Employee Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (Asset)
12/31/15	0.01304000%	\$ 320,298	\$ 1,376,535	-23.27%	102.74%
12/31/16	0.01232447%	58,610	1,430,073	14.00%	98.2%
12/31/17	0.01962601%	(582,718)	1,709,958	-14.93%	102.93%
12/31/18	0.02081402%	740,497	1,822,913	40.62%	96.45%
12/31/19	0.01491872%	(481,047)	1,902,152	-25.29%	102.96%
12/31/20	0.01547884%	(966,364)	2,010,496	-48.07%	210.52%
12/31/21	0.01609392%	(1,297,198)	2,124,264	-61.07%	212.04%

**Schedule of Employer Contributions**

**Wisconsin Retirement System - Last 10 Fiscal Years**

Fiscal Year Ending	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	Covered Employee Payroll	Contributions as a Percentage of Covered Employee Payroll
12/31/15	\$ 115,376	\$ 115,376	\$ -	\$ 1,376,535	8.32%
12/31/16	115,160	115,160	-	1,430,073	8.05%
12/31/17	148,649	148,649	-	1,709,958	8.69%
12/31/18	154,402	154,402	-	1,822,913	8.47%
12/31/19	159,140	159,140	-	1,924,363	8.27%
12/31/20	185,017	185,017	-	1,902,152	9.73%
12/31/21	183,608	183,608	-	2,010,496	9.13%
12/31/22	195,785	195,785	-	2,124,264	9.22%

\*These schedules are required to show data for the last ten fiscal years. More years will be added as data becomes available.

See Notes to Required Supplementary Information.

## VILLAGE OF SOMERS

### Notes to Required Supplementary Information December 31, 2022

#### NOTE A – GOVERNMENTAL ACCOUNTING STANDARDS BOARD STATEMENT NOS. 68 AND 71

The Village implemented GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – An Amendment of GASB Statement No. 27* and Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – An Amendment of GASB Statement No. 68* for the fiscal year ended December 31, 2015. Information for prior years is not available. The amounts presented for each fiscal year were determined as of the calendar year end that occurred with in the fiscal year.

#### NOTE B – GOVERNMENTAL ACCOUNTING STANDARDS BOARD STATEMENT NO. 75

The Village implemented GASB Statement 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, for the fiscal year ended December 31, 2018. Information for prior years is not available. The Village currently has no assets accumulated in a trust for the single employer plan.

#### NOTE C – WISCONSIN RETIREMENT SYSTEM

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

Based on a three-year experience study conducted in 2021 covering January 1, 2018 through December 31, 2020, the ETF Board adopted assumption changes that were used to measure the total pension liability beginning with the year-end December 31, 2021, including the following:

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

Based on a 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:

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

## VILLAGE OF SOMERS

### Notes to Required Supplementary Information December 31, 2022

#### **NOTE C – WISCONSIN RETIREMENT SYSTEM (CONTINUED)**

The amounts reported for each fiscal year were determined as of the calendar year-end that occurred within the fiscal year. The Village is required to present the last ten fiscal years of data; however accounting standards allow the presentation of as many years as are available until ten fiscal years are presented.

#### **NOTE D – LOCAL RETIREE LIFE INSURANCE FUND**

There were no changes in benefit terms.

In addition to the rate changes detailed in the notes to the financial statements, the State of Wisconsin Employee Trust Fund Board adopted economic and demographic assumption changes based on a three-year experience study performed for the Wisconsin Retirement System. These assumptions are used in the actuarial valuations of OPEB liabilities (assets) for the retiree life insurance programs and are summarized below.

The assumption changes that were used to measure the December 31, 2021 total OPEB liabilities, including the following:

- Lowering the price inflation rate from 2.5% to 2.4%
- Mortality assumptions were changed to reflect updated trends by transitioning from the Wisconsin 2018 Mortality Table to the 2020 WRS Experience Mortality Table.

The assumption changes that were used to measure the December 31, 2018 total OPEB liabilities, including the following:

- Lowering the long-term expected rate of return from 5.00% to 4.25%
- Lowering the wage inflation rate from 3.2% to 3.0%
- Lowering the price inflation rate from 2.7% to 2.5%
- Mortality assumptions were changed to reflect updated trends by transitioning from the Wisconsin 2012 Mortality Table to the Wisconsin 2018 Mortality Table.

The Village is required to present the last ten fiscal years of data; however, accounting standards allow the presentation of as many years as are available until ten fiscal years are presented.

VILLAGE OF SOMERS  
KENOSHA COUNTY, WISCONSIN

**SUPPLEMENTARY INFORMATION**

**VILLAGE OF SOMERS  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
December 31, 2022**

	Special Revenue Funds			Total Special Revenue Funds	Capital Projects Funds			
	Drainage Fund	Park Fund	ARPA Fund		Tax Incremental District #2	Tax Incremental District #3	Tax Incremental District #4	Tax Incremental District #5
<b>ASSETS</b>								
Cash and investments	\$ 92,959	\$ 21,526	\$ 561,312	\$ 675,797	\$ -	\$ -	\$ -	\$ -
Miscellaneous receivable	-	-	-	-	-	32,396	-	15,188
Restricted cash	46,997	59,992	-	106,989	-	-	-	-
Deferred special assessments	-	-	-	-	290,460	-	-	-
<b>TOTAL ASSETS</b>	<b>\$ 139,956</b>	<b>\$ 81,518</b>	<b>\$ 561,312</b>	<b>\$ 782,786</b>	<b>\$ 290,460</b>	<b>\$ 32,396</b>	<b>\$ -</b>	<b>\$ 15,188</b>
<b>LIABILITIES, DEFERRED OUTFLOWS OF RESOURCES AND FUND BALANCES</b>								
Liabilities:								
Accounts payable	\$ -	\$ 1,501	\$ -	\$ 1,501	\$ 4,299	\$ 14,869	\$ 259,813	\$ 2,804
Due to other funds	-	-	-	-	-	354,433	198,330	99,136
Developer deposits	-	25,000	-	25,000	-	-	-	-
Unearned revenues	-	-	561,312	561,312	-	-	-	-
<b>TOTAL LIABILITIES</b>	<b>-</b>	<b>26,501</b>	<b>561,312</b>	<b>587,813</b>	<b>4,299</b>	<b>369,302</b>	<b>458,143</b>	<b>101,940</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>								
Deferred special assessments	-	-	-	-	290,460	-	-	-
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>290,460</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCES</b>								
Nonspendable:								
Drainage fund	139,956	-	-	139,956	-	-	-	-
Park fund	-	55,017	-	55,017	-	-	-	-
Unassigned	-	-	-	-	(4,299)	(336,906)	(458,143)	(86,752)
Total fund balances (deficit)	139,956	55,017	-	194,973	(4,299)	(336,906)	(458,143)	(86,752)
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<b>\$ 139,956</b>	<b>\$ 81,518</b>	<b>\$ 561,312</b>	<b>\$ 782,786</b>	<b>\$ 290,460</b>	<b>\$ 32,396</b>	<b>\$ -</b>	<b>\$ 15,188</b>

See accompanying notes to the financial statements.

**VILLAGE OF SOMERS  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS (continued)  
December 31, 2022**

	Capital Projects Funds						Total Nonmajor Governmental Funds
	Tax Incremental District #7	Tax Incremental District #8	Tax Incremental District #9	Tax Incremental District #10	Tax Incremental District #11	Capital Projects Fund	
<b>ASSETS</b>							
Cash and investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 675,797
Miscellaneous receivable	-	-	-	-	-	-	47,584
Restricted cash	-	-	-	-	-	-	106,989
Deferred special assessments	-	-	-	-	-	-	290,460
<b>TOTAL ASSETS</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 338,044</u>	<u>\$ 1,120,830</u>
<b>LIABILITIES, DEFERRED OUTFLOWS OF RESOURCES AND FUND BALANCES</b>							
Liabilities:							
Accounts payable	\$ 265	\$ -	\$ -	\$ -	\$ -	\$ 54,813	\$ 338,364
Due to other funds	19,177	232,720	19,089	8,078	19,071	635,699	1,585,733
Developer deposits	-	-	-	-	-	-	25,000
Unearned revenues	-	-	-	-	-	-	561,312
<b>TOTAL LIABILITIES</b>	<u>19,442</u>	<u>232,720</u>	<u>19,089</u>	<u>8,078</u>	<u>19,071</u>	<u>690,512</u>	<u>2,510,409</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>							
Deferred special assessments	-	-	-	-	-	-	290,460
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>290,460</u>
<b>FUND BALANCES</b>							
Nonspendable:							
Drainage fund	-	-	-	-	-	-	139,956
Park fund	-	-	-	-	-	-	55,017
Unassigned	(19,442)	(232,720)	(19,089)	(8,078)	(19,071)	(690,512)	(1,875,012)
Total fund balances (deficit)	<u>(19,442)</u>	<u>(232,720)</u>	<u>(19,089)</u>	<u>(8,078)</u>	<u>(19,071)</u>	<u>(690,512)</u>	<u>(1,680,039)</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 338,044</u>	<u>\$ 1,120,830</u>

See accompanying notes to the financial statements.

**VILLAGE OF SOMERS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**For the Year Ended December 31, 2022**

	Special Revenue Funds			Capital Projects Funds				
	Drainage Fund	Park Fund	ARPA Fund	Total Special Revenue Funds	Tax Incremental District #2	Tax Incremental District #3	Tax Incremental District #4	Tax Incremental District #5
<b>REVENUES</b>								
Intergovernmental	\$ -	\$ -	\$ 433,877	\$ 433,877	\$ -	\$ -	\$ -	\$ -
Charges for services	-	-	-	-	-	477,583	8,133	42,150
Investment income	742	946	-	1,688	(142)	-	-	-
Miscellaneous revenue	-	-	-	-	-	-	-	-
<b>Total Revenues</b>	<b>742</b>	<b>946</b>	<b>433,877</b>	<b>435,565</b>	<b>(142)</b>	<b>477,583</b>	<b>8,133</b>	<b>42,150</b>
<b>EXPENDITURES</b>								
General government	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-
Public works	-	-	-	-	-	-	-	-
Leisure activities	-	5,813	-	5,813	-	-	-	-
Conservation and development	-	-	-	-	24,255	127,060	280,946	70,237
Capital outlay	-	-	-	-	-	-	-	-
Debt service:								
Interest and other charges	-	-	-	-	1,522	1,854	-	-
<b>Total Expenditures</b>	<b>-</b>	<b>5,813</b>	<b>-</b>	<b>5,813</b>	<b>25,777</b>	<b>128,914</b>	<b>280,946</b>	<b>70,237</b>
Excess (deficiency) of revenues over expenditures	742	(4,867)	433,877	429,752	(25,919)	348,669	(272,813)	(28,087)
<b>OTHER FINANCING SOURCES (USES)</b>								
Proceeds from general obligation debt	-	-	-	-	-	198,619	-	-
Capital contributions to utility	-	-	-	-	-	(370,286)	-	-
Transfers in	-	-	-	-	21,979	-	-	-
Transfers out	-	-	(433,877)	(433,877)	-	-	-	-
<b>Total other financing sources and uses</b>	<b>-</b>	<b>-</b>	<b>(433,877)</b>	<b>(433,877)</b>	<b>21,979</b>	<b>(171,667)</b>	<b>-</b>	<b>-</b>
Net change in fund balance	742	(4,867)	-	(4,125)	(3,940)	177,002	(272,813)	(28,087)
FUND BALANCES - BEGINNING OF YEAR (DEFICIT)	139,214	59,884	-	199,098	(359)	(513,908)	(185,330)	(58,665)
<b>FUND BALANCES - END OF YEAR (DEFICIT)</b>	<b>\$ 139,956</b>	<b>\$ 55,017</b>	<b>\$ -</b>	<b>\$ 194,973</b>	<b>\$ (4,299)</b>	<b>\$ (336,906)</b>	<b>\$ (458,143)</b>	<b>\$ (86,752)</b>

See accompanying notes to the financial statements.

**VILLAGE OF SOMERS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS (continued)**  
**For the Year Ended December 31, 2022**

	Capital Projects Funds							
	Tax Incremental District #7	Tax Incremental District #8	Tax Incremental District #9	Tax Incremental District #10	Tax Incremental District #11	Capital Projects Fund	Total Capital Projects Funds	Total Nonmajor Governmental Funds
<b>REVENUES</b>								
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 433,877
Charges for services	-	-	-	-	-	-	527,866	527,866
Investment income	-	-	-	(57)	-	-	(199)	1,489
Miscellaneous revenue	-	-	-	-	-	14,837	14,837	14,837
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>(57)</u>	<u>-</u>	<u>14,837</u>	<u>542,504</u>	<u>978,069</u>
<b>EXPENDITURES</b>								
General government	-	-	-	-	-	70,776	70,776	70,776
Public safety	-	-	-	-	-	2,991	2,991	2,991
Public works	-	-	-	-	-	2,174	2,174	2,174
Leisure activities	-	-	-	-	-	-	-	5,813
Conservation and development	1,092	772	781	786	772	-	506,701	506,701
Capital outlay	-	-	-	-	-	910,166	910,166	910,166
Debt service:								
Interest and other charges	-	-	-	-	-	-	3,376	3,376
Total Expenditures	<u>1,092</u>	<u>772</u>	<u>781</u>	<u>786</u>	<u>772</u>	<u>986,107</u>	<u>1,496,184</u>	<u>1,501,997</u>
Excess (deficiency) of revenues over expenditures	<u>(1,092)</u>	<u>(772)</u>	<u>(781)</u>	<u>(843)</u>	<u>(772)</u>	<u>(971,270)</u>	<u>(953,680)</u>	<u>(523,928)</u>
<b>OTHER FINANCING SOURCES (USES)</b>								
Proceeds from general obligation debt	-	-	-	-	-	-	198,619	198,619
Capital contributions to utility	-	-	-	-	-	-	(370,286)	(370,286)
Transfers in	-	-	-	-	-	85,411	107,390	107,390
Transfers out	-	-	-	-	-	-	-	(433,877)
Total other financing sources and uses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>85,411</u>	<u>(64,277)</u>	<u>(498,154)</u>
Net change in fund balance	(1,092)	(772)	(781)	(843)	(772)	(885,859)	(1,017,957)	(1,022,082)
FUND BALANCES - BEGINNING OF YEAR (DEFICIT)	<u>(18,350)</u>	<u>(231,948)</u>	<u>(18,308)</u>	<u>(7,235)</u>	<u>(18,299)</u>	<u>195,347</u>	<u>(857,055)</u>	<u>(657,957)</u>
<b>FUND BALANCES - END OF YEAR (DEFICIT)</b>	<u>\$ (19,442)</u>	<u>\$ (232,720)</u>	<u>\$ (19,089)</u>	<u>\$ (8,078)</u>	<u>\$ (19,071)</u>	<u>\$ (690,512)</u>	<u>\$ (1,875,012)</u>	<u>\$ (1,680,039)</u>

See accompanying notes to the financial statements.

**VILLAGE OF SOMERS  
COMBINING BALANCE SHEET  
DEBT SERVICE FUNDS  
December 31, 2022**

	Governmental Debt Service Fund	Tax Increment District #1 Debt Service Fund	Tax Increment District #2 Debt Service Fund	Tax Increment District #3 Debt Service Fund	Tax Increment District #4 Debt Service Fund	Tax Increment District #5 Debt Service Fund	Tax Increment District #6 Debt Service Fund
<b>ASSETS</b>							
Cash and investments	\$ 89,955	\$ 2,666,247	\$ 1,738,430	\$ 23,422	\$ 787,198	\$ 3,458	\$ 18,455
Property taxes receivable	1,132,504	909,045	1,238,192	25,282	626,177	6,059	15,267
Restricted cash	-	215,854	351,500	-	-	-	-
<b>TOTAL ASSETS</b>	<u>\$ 1,222,459</u>	<u>\$ 3,791,146</u>	<u>\$ 3,328,122</u>	<u>\$ 48,704</u>	<u>\$ 1,413,375</u>	<u>\$ 9,517</u>	<u>\$ 33,722</u>
<b>LIABILITIES, DEFERRED OUTFLOWS OF RESOURCES AND FUND BALANCES</b>							
<b>Liabilities</b>							
Accounts payable	\$ 3,800	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>TOTAL LIABILITIES</b>	<u>3,800</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>							
Deferred property tax levy	1,132,501	909,045	1,238,192	25,282	626,177	6,060	15,266
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	1,132,501	909,045	1,238,192	25,282	626,177	6,060	15,266
<b>FUND BALANCES</b>							
Restricted							
Debt service	86,158	2,882,101	2,089,930	23,422	787,198	3,457	18,456
Total fund balances	<u>86,158</u>	<u>2,882,101</u>	<u>2,089,930</u>	<u>23,422</u>	<u>787,198</u>	<u>3,457</u>	<u>18,456</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<u>\$ 1,222,459</u>	<u>\$ 3,791,146</u>	<u>\$ 3,328,122</u>	<u>\$ 48,704</u>	<u>\$ 1,413,375</u>	<u>\$ 9,517</u>	<u>\$ 33,722</u>

See accompanying notes to the financial statements.

**VILLAGE OF SOMERS  
COMBINING BALANCE SHEET  
DEBT SERVICE FUNDS (continued)  
December 31, 2022**

	Tax Increment District #7 Debt Service Fund	Tax Increment District #8 Debt Service Fund	Tax Increment District #9 Debt Service Fund	Tax Increment District #10 Debt Service Fund	Tax Increment District #11 Debt Service Fund	Total Debt Service Funds
<b>ASSETS</b>						
Cash and investments	\$ 60,743	\$ 993	\$ 4,332	\$ 7,014	\$ 1,330	\$ 5,401,577
Property taxes receivable	41,071	1,050	3,447	23,125	880	4,022,099
Restricted cash	-	-	-	-	-	567,354
<b>TOTAL ASSETS</b>	<u>\$ 101,814</u>	<u>\$ 2,043</u>	<u>\$ 7,779</u>	<u>\$ 30,139</u>	<u>\$ 2,210</u>	<u>\$ 9,991,030</u>
<b>LIABILITIES, DEFERRED OUTFLOWS OF RESOURCES AND FUND BALANCES</b>						
<b>Liabilities</b>						
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,800
<b>TOTAL LIABILITIES</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,800</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Deferred property tax levy	41,071	1,049	3,446	23,125	882	4,022,096
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<u>41,071</u>	<u>1,049</u>	<u>3,446</u>	<u>23,125</u>	<u>882</u>	<u>4,022,096</u>
<b>FUND BALANCES</b>						
Restricted						
Debt service	60,743	994	4,333	7,014	1,328	5,965,134
Total fund balances	<u>60,743</u>	<u>994</u>	<u>4,333</u>	<u>7,014</u>	<u>1,328</u>	<u>5,965,134</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<u>\$ 101,814</u>	<u>\$ 2,043</u>	<u>\$ 7,779</u>	<u>\$ 30,139</u>	<u>\$ 2,210</u>	<u>\$ 9,991,030</u>

See accompanying notes to the financial statements.

**VILLAGE OF SOMERS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**DEBT SERVICE FUNDS**  
**For the Year Ended December 31, 2022**

	Governmental Debt Service Fund	Tax Increment District #1 Debt Service Fund	Tax Increment District #2 Debt Service Fund	Tax Increment District #3 Debt Service Fund	Tax Increment District #4 Debt Service Fund	Tax Increment District #5 Debt Service Fund
<b>REVENUES</b>						
Taxes	\$ 1,152,872	\$ 945,869	\$ 1,547,204	\$ 23,422	\$ 688,596	\$ 447
Investment income	-	71,257	51,658	-	-	-
Total Revenues	<u>1,152,872</u>	<u>1,017,126</u>	<u>1,598,862</u>	<u>23,422</u>	<u>688,596</u>	<u>447</u>
<b>EXPENDITURES</b>						
Debt service:						
Principal	1,004,381	415,000	690,000	-	-	-
Interest and fiscal charges	149,409	235,625	258,724	-	-	-
Total Expenditures	<u>1,153,790</u>	<u>650,625</u>	<u>948,724</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>(918)</u>	<u>366,501</u>	<u>650,138</u>	<u>23,422</u>	<u>688,596</u>	<u>447</u>
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers out	-	-	(21,979)	-	-	-
Total other financing sources and uses	<u>-</u>	<u>-</u>	<u>(21,979)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>(918)</u>	<u>366,501</u>	<u>628,159</u>	<u>23,422</u>	<u>688,596</u>	<u>447</u>
FUND BALANCES - BEGINNING OF YEAR (DEFICIT)	<u>87,076</u>	<u>2,515,600</u>	<u>1,461,771</u>	<u>-</u>	<u>98,602</u>	<u>3,010</u>
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 86,158</u>	<u>\$ 2,882,101</u>	<u>\$ 2,089,930</u>	<u>\$ 23,422</u>	<u>\$ 787,198</u>	<u>\$ 3,457</u>

See accompanying notes to the financial statements.

**VILLAGE OF SOMERS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**DEBT SERVICE FUNDS (continued)**  
**For the Year Ended December 31, 2022**

	Tax Increment District #6 Debt Service Fund	Tax Increment District #7 Debt Service Fund	Tax Increment District #8 Debt Service Fund	Tax Increment District #9 Debt Service Fund	Tax Increment District #10 Debt Service Fund	Tax Increment District #11 Debt Service Fund	Total Debt Service Funds
<b>REVENUES</b>							
Taxes	\$ 14,405	\$ 27,799	\$ 306	\$ (654)	\$ -	\$ 1,001	\$ 4,401,267
Investment income	-	-	-	-	-	-	122,915
Total Revenues	<u>14,405</u>	<u>27,799</u>	<u>306</u>	<u>(654)</u>	<u>-</u>	<u>1,001</u>	<u>4,524,182</u>
<b>EXPENDITURES</b>							
Debt service:							
Principal	-	-	-	-	-	-	2,109,381
Interest and fiscal charges	-	-	-	-	-	-	643,758
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,753,139</u>
Excess (deficiency) of revenues over expenditures	<u>14,405</u>	<u>27,799</u>	<u>306</u>	<u>(654)</u>	<u>-</u>	<u>1,001</u>	<u>1,771,043</u>
<b>OTHER FINANCING SOURCES (USES)</b>							
Transfers out	-	-	-	-	-	-	(21,979)
Total other financing sources and uses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(21,979)</u>
Net change in fund balance	14,405	27,799	306	(654)	-	1,001	1,749,064
FUND BALANCES - BEGINNING OF YEAR (DEFICIT)	<u>4,051</u>	<u>32,944</u>	<u>688</u>	<u>4,987</u>	<u>7,014</u>	<u>327</u>	<u>4,216,070</u>
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 18,456</u>	<u>\$ 60,743</u>	<u>\$ 994</u>	<u>\$ 4,333</u>	<u>\$ 7,014</u>	<u>\$ 1,328</u>	<u>\$ 5,965,134</u>

See accompanying notes to the financial statements.



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To the Board of Trustees  
Village of Somers

In planning and performing our audit of the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Somers (the Village) as of and for the year ended December 31, 2022, in accordance with auditing standards generally accepted in the United States of America, we considered the Village's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Village's internal control. Accordingly, we do not express an opinion on the effectiveness of the Village's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified certain deficiencies in internal control that we consider to be material weaknesses and other deficiencies that we consider to be significant deficiencies.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency or a combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. We consider the following deficiencies in internal control to be material weaknesses:

- Financial Reporting – Staff does not possess enough knowledge to prepare the annual statements and footnotes. Most governments operate with only enough staff to process monthly transactions and reports and rely on the auditors to prepare certain year end entries and handle the yearend financial reporting. Under the guidelines, these are considered material weaknesses in your internal control.
- Segregation of Duties – There was a separation of duties weakness related to the Utility Billing and collection process because most of the duties are completed by one person. While misstatements were not identified in the current year related to Utility Billing, the lack of separation of duties is required to be reported as a material weakness.
- Written Accounting Policies & Procedures – There do not appear to be documented accounting policies and procedures manuals and calendars in place to guide fiscal decisions and month-and year-end closing procedures. As a result, typical year-end adjustments were not made, causing the financial statements to be materially misstated. Audit adjustments were posted to correct these misstatements.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

This communication is intended solely for the information and use of management, the Board of Trustees, and others within the Village, and is not intended to be, and should not be, used by anyone other than these specified parties.

*Andrea & Orendorff LLP*

Andrea & Orendorff LLP  
Pleasant Prairie, Wisconsin  
November 7, 2023



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November 7, 2023

To the Board of Trustees and Village management  
Village of Somers  
Kenosha County

Following are suggestions for improvement of accounting and internal control procedures that came to our attention as a result of our audit of the financial statements of the Village of Somers (the Village) for the year ended December 31, 2022. While certain matters which came to our attention during the review are presented herein, such a review is not designed for the purpose of making detail recommendations and would not necessarily disclose defalcations or all weaknesses in the existing system. These suggestions are offered for consideration by the Board for improvement of accounting controls and administrative procedures.

Management and the Board have paved the way for economic development in the Village/Town with the addition of many TIF districts and the Intergovernmental Agreement. This progress adds some complexities to the accounting and fiscal information required by the Village/Town Board and management. Improvements in internal controls and efficiencies will help in the future setup of the Village/Town processes. Some of the items listed in this letter are already in process of being addressed by staff. The Village will see many benefits and savings by addressing these items.

Our audit resulted in three material weaknesses in internal controls reported to the Board. Further details and recommendations related to those weaknesses are below.

#### **1. Financial Reporting**

Village Management and Governance has the ultimate responsibility for preparing complete and accurate financial reports, in accordance with Generally Accepted Accounting Principles (GAAP), as applicable to local governments. Because of inherent limitations encountered by small municipal entities, it is common for these entities to outsource financial statement preparation services to its auditors. It is imperative, however, for management and the Board to possess sufficient understanding of the Village's operations and financial reporting standards to adequately oversee these services. We recommend the Village encourage management to continue increasing their knowledge of financial reporting matters through formal and informal training and education. Related to this, we identified the following:

##### **a. Fixed Asset Tracking**

The Public Works department and the Fiscal department should continue to improve their communication in the area of recording additions and deletions of fixed assets. Gaps remain in this area. New construction projects should be communicated to the Fiscal department immediately so they may maintain a tracking of the project and status. When a capital project is completed, the Fiscal department should be notified so the related assets may to be capitalized and depreciated. Additionally, assets contributed by developers within the TIF districts are not being recorded in the applicable funds. With the TIF projects, the assets often need to get allocated to the water and sewer utilities. The Fiscal department should be made aware of these types of projects and make the appropriate allocations / transfers as the project progresses.

We have provided the Village with a template fixed assets tracking spreadsheet. In addition to tracking construction projects, capital purchases, and depreciation, there should be one file that tracks all the statistical information regarding meters, services and hydrants. This information is required by the Public Service Commission. This information should include all assets to be added by the Village, whether they were paid by the Village or contributed by the developers.

A physical inventory of all assets should be taken regularly, and disposals, replacements, and additions should be noted and tracked.

**b. Accounting for Debt & Long-Term Obligations**

We posted significant entries related to properly accounting for the Village's debt and related deferred items (discounts, premiums, gains on refunding, etc) in accordance with GASB 34. The Village has developed a debt tracking spreadsheet; however, it was not fully updated and maintained for the year, and it does not include identification of items related to debt issuance, such as premiums, discounts, and gains. We recommend adding such items to the spreadsheet and ensuring that the document is consistently updated and reconciled to the accounting ledgers.

The Village should also include a document for tracking other long-term obligations, such as payments due to developers and accrued compensated absences. This activity should be recorded by the Village in its proprietary funds, and tracked on the spreadsheet for governmental funds. Entries for recording debt activity and amortization of related accounts should be recorded timely.

**c. Accounting for Retirement Benefits**

The Village participates in a variety of pension and other post-retirement benefit systems, which require specific accounting treatment and disclosure under GASB 34. The Village may rely on the auditors to propose the journal entries related to these plans; however, we recommend the Village management become familiar with the accounting and disclosure requirements to ensure daily transactions are being properly recorded, and that year-end balances are accurately reported and disclosures are complete.

**2. Separation of Duties - Utility Billing and Collection Process**

The Village should require a second person perform part of the Utility billing and collections process, as well as the customer records maintenance process. The processes need to be reviewed to utilize the efficiencies offered by the new software. There is some risk in this area as one person performs most of the process and some of the records are kept in Word and Excel off of the system. Our suggestion is to split up some of the process to other staff so there is more segregation of duties. For example, a person other than the one responsible for entering the receipts and preparing the billings should enter new customers and rates. The system's security access should be modified to improve these internal controls and not allow access to the whole module by the utility clerk.

### 3. **Written Accounting Policies & Procedures**

The Village experienced turnover of key fiscal staff near the end of 2021 and early in 2022. As a result, certain year-end accounting functions were not identified and performed in absence of these individuals and their base of knowledge. In order to ensure fiscal procedures are performed completely and adequately regardless of who is on staff, we strongly suggest developing a written policies and procedures manual covering all the accounting transactions and processes that should occur, along with a calendar dictating the timeline for these transactions. Specifically, we noted the following recurring and routine transactions were not properly recorded, and posted audit adjustments accordingly:

- a. PSC Regulatory Liability amortization
- b. Annual interest accruals
- c. Annual special assessments activity, including receivables and deferred amounts
- d. Fire and Ambulance receivables and revenue (November & December 2021)
- e. Accrual for vacation benefits incurred but not yet paid at year-end.
- f. Accounts payable for expenses incurred but not yet paid at year-end
- g. Unearned revenue for grants received but not yet earned at year-end
- h. Prepaid balances for expenses paid but not yet incurred by year-end

In addition to items impacting the internal control material weaknesses identified above, we also identified the following opportunity for process improvement related to technology.

### 4. **TIF Reporting & Monitoring**

The Village reporting entity includes 11 individual Tax Increment Financing Districts, which are subject to many specific regulatory and reporting requirements. With significant activity ongoing in these Districts, we recommend developing and implementing a system of monitoring and tracking activity to ensure all amounts are properly reported within the correct District funds, and that all reporting and auditing requirements are met in a timely manner.

Thank you for the opportunity to work with you. If you have any questions, please contact us during the year. Our thanks also go to the staff and board for their cooperation and assistance in completing this audit.

*Andrea E. Orendorff LLP*

Andrea & Orendorff LLP  
Certified Public Accountants

November 7, 2023

Andrea & Orendorff, LLP  
10411 Corporate Drive, Suite 104  
Pleasant Prairie, Wisconsin 53158

This representation letter is provided in connection with your audit of the financial statements of the Village of Somers, Wisconsin ("the Village"), which comprise the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information as of December 31, 2022, and the respective changes in financial position and, where applicable, cash flows for the year then ended, and the disclosures (collectively, the "financial statements"), for the purpose of expressing opinions as to whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered to be material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

We confirm, to the best of our knowledge and belief, as of November 7, 2023, the following representations made to you during your audit.

#### **Financial Statements**

- 1) We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated February 2, 2023 including our responsibility for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP and for preparation of the supplementary information in accordance with the applicable criteria.
- 2) The financial statements referred to above are fairly presented in conformity with U.S. GAAP and include all properly classified funds and other financial information of the primary government and all component units required by generally accepted accounting principles to be included in the financial reporting entity.
- 3) We acknowledge our responsibility 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.
- 4) We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
- 5) The methods, significant assumptions, and data used in making accounting estimates and their related disclosures are appropriate to achieve recognition, measurement, or disclosure that is reasonable in accordance with U.S. GAAP.
- 6) Related party relationships and transactions, including revenues, expenditures/expenses, loans, transfers, leasing arrangements, and guarantees, and amounts receivable from or payable to related parties have been appropriately accounted for and disclosed in accordance with U.S. GAAP.
- 7) Adjustments or disclosures have been made for all events, including instances of noncompliance, subsequent to the date of the financial statements that would require adjustment to or disclosure in the financial statements.
- 8) The effects of all known actual or possible litigation, claims, and assessments have been accounted for and disclosed in accordance with U.S. GAAP.
- 9) Guarantees, whether written or oral, under which the Village is contingently liable, if any, have been properly recorded or disclosed.

## Information Provided

- 10) We have provided you with:
  - a) Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements, such as records (including information obtained from outside of the general and subsidiary ledgers), documentation, and other matters.
  - b) Additional information that you have requested from us for the purpose of the audit.
  - c) Unrestricted access to persons within the Village from whom you determined it necessary to obtain audit evidence.
  - d) Minutes of the meetings of the Village Board or summaries of actions of recent meetings for which minutes have not yet been prepared.
- 11) All material transactions have been recorded in the accounting records and are reflected in the financial statements.
- 12) We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- 13) We have no knowledge of any fraud or suspected fraud that affects the Village and involves—
  - Management,
  - Employees who have significant roles in internal control, or
  - Others where the fraud could have a material effect on the financial statements.
- 14) We have no knowledge of any allegations of fraud or suspected fraud affecting the Village's financial statements communicated by employees, former employees, regulators, or others.
- 15) We have no knowledge of instances of noncompliance or suspected noncompliance with provisions of laws, regulations, contracts, or grant agreements, or waste or abuse, whose effects should be considered when preparing financial statements.
- 16) We have disclosed to you all known actual or possible litigation, claims, and assessments whose effects should be considered when preparing the financial statements.
- 17) We have disclosed to you the names of the Village's related parties and all the related party relationships and transactions, including any side agreements.

## Government-specific

- 19) There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.
- 20) We have a process to track the status of audit findings and recommendations.
- 21) We have identified to you any previous audits, attestation engagements, and other studies related to the objectives of the audit and whether related recommendations have been implemented.
- 22) We have identified to you any investigations or legal proceedings that have been initiated with respect to the period under audit.
- 23) The Village has no plans or intentions that may materially affect the carrying value or classification of assets, deferred outflows of resources, liabilities, deferred inflows of resources, and fund balance or net position.
- 24) We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to us, including tax or debt limits and debt contracts, and legal and contractual provisions for reporting specific activities in separate funds.
- 25) We have identified and disclosed to you all instances of identified and suspected fraud and noncompliance with provisions of laws, regulations, contracts, and grant agreements that we believe have a material effect on the financial statements.

- 26) There are no violations or possible violations of budget ordinances, laws and regulations (including those pertaining to adopting, approving, and amending budgets), provisions of contracts and grant agreements, tax or debt limits, and any related debt covenants whose effects should be considered for disclosure in the financial statements, or as a basis for recording a loss contingency, or for reporting on noncompliance.
- 27) As part of your audit, you assisted with preparation of the financial statements and disclosures, maintenance of depreciation schedules, year-end GASB 34 adjustments, and preparation of the State of Wisconsin Form C and the Wisconsin Public Service Commission Report for 2022. We acknowledge our responsibility as it relates to those nonaudit services, including that we assume all management responsibilities; oversee the services by designating an individual, preferably within senior management, who possesses suitable skill, knowledge, or experience; evaluate the adequacy and results of the services performed; and accept responsibility for the results of the services. We have reviewed, approved, and accepted responsibility for those financial statements and disclosures.
- 28) The Village has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.
- 29) The Village has complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance.
- 30) The financial statements include all component units, appropriately present majority equity interests in legally separate organizations and joint ventures with an equity interest, and properly disclose all other joint ventures and other related organizations.
- 31) The financial statements include all fiduciary activities required by [GASBS No. 84](#), as amended.
- 32) The financial statements properly classify all funds and activities in accordance with [GASBS No. 34](#), as amended.
- 33) All funds that meet the quantitative criteria in [GASBS Nos. 34](#) and [37](#) for presentation as major are identified and presented as such and all other funds that are presented as major are particularly important to financial statement users.
- 34) Components of net position (net investment in capital assets; restricted; and unrestricted) and classifications of fund balance (nonspendable, restricted, committed, assigned, and unassigned) are properly classified and, if applicable, approved.
- 35) Investments, derivative instrument transactions, and land and other real estate held by endowments are properly valued.
- 36) Provisions for uncollectible receivables have been properly identified and recorded.
- 37) Expenses have been appropriately classified in or allocated to functions and programs in the statement of activities, and allocations have been made on a reasonable basis.
- 38) Revenues are appropriately classified in the statement of activities within program revenues, general revenues, contributions to term or permanent endowments, or contributions to permanent fund principal.
- 39) Interfund, internal, and intra-entity activity and balances have been appropriately classified and reported.
- 40) Deposits and investment securities and derivative instrument transactions are properly classified as to risk and are properly disclosed.
- 41) Capital assets, including infrastructure and intangible assets, are properly capitalized, reported, and, if applicable, depreciated or amortized.
- 42) We have appropriately disclosed the Village's policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available and have determined that net position is properly recognized under the policy.

- 43) We are following our established accounting policy regarding which resources (that is, restricted, committed, assigned, or unassigned) are considered to be spent first for expenditures for which more than one resource classification is available. That policy determines the fund balance classifications for financial reporting purposes.
- 44) We acknowledge our responsibility for the required supplementary information (RSI). The RSI is measured and presented within prescribed guidelines and the methods of measurement and presentation have not changed from those used in the prior period. We have disclosed to you any significant assumptions and interpretations underlying the measurement and presentation of the RSI.
- 45) With respect to the combining and individual fund financial statements (SI):
- 1) We acknowledge our responsibility for presenting the SI in accordance with accounting principles generally accepted in the United States of America, and we believe the SI, including its form and content, is fairly presented in accordance with accounting principles generally accepted in the United States of America. The methods of measurement and presentation of the SI have not changed from those used in the prior period, and we have disclosed to you any significant assumptions or interpretations underlying the measurement and presentation of the supplementary information.
  - 2) If the SI is not presented with the audited financial statements, we will make the audited financial statements readily available to the intended users of the supplementary information no later than the date we issue the supplementary information and the auditor's report thereon.

Signature: \_\_\_\_\_

Title: \_\_\_\_\_



**VILLAGE OF SOMERS  
VILLAGE BOARD  
WORK SESSION ITEM MEMORANDUM**

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**WORK SESSION:** November 7<sup>th</sup>, 2023

**TO:** Village President Stoner and Board of Trustees

**PREPARED BY:** Jason J. Peters, Administrator

**AGENDA ITEM:** #6 Review and discuss Core & Main Contract for update to Automated Meter Reading program and water meter replacements

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**BACKGROUND:**

Our 2023 and carried over to 2024 CIP includes using ARPA funds to replace water meters in the Village. Staff has been working with our vendor to ensure the purchase of these meters will conform with ARPA regulations. On June 29<sup>th</sup>, Staff met with Engineer Snyder to review the proposed contract and discuss the next steps in the process. In July the Board requested that vendor attend a Work Session to explain how the new radio read system works and the advantages to the Utility. This presentation was made to the Board during the engineer report at our August 1<sup>st</sup> Work Session.

**UPDATE:**

Baxter and Woodman has been working our vendor to ensure that our purchase of the system will be in compliance with ARPA regulations. On November 1<sup>st</sup>, Staff was provided with a proposed contract to switch the meter reading from a manual “walk by” system to an automated radio read system. The contract will serve to replace approximately 740 of the aging water meters that are used in the Village.

**COMMENTS:**

The amount included in the original CIP and the proposed CIP for 2024 was approximately \$351,000. This was based on an older quote that did not fully change the system to a radio read. The contract enclosed would include new meters and fulling changing to the raid read system. The amount in the contract is \$424,023. The Village’s remaining ARPA funds is \$432,788.48.

These funds need to be pledged by the end of 2024 and spent by the end of 2026. Given the age of the meters that will be replaced and the work hours that will be saved by this new program, Administration is requesting that in the budget that is passed on November

14<sup>th</sup> , the CIP Water Meter AMR Program amount be changed from \$351,318 to \$424,023.

The proposed contract has been reviewed by Public Works, Administration, Engineering and Attorney Davison.

ATTACHMENTS:

Proposed Contract

August 1<sup>st</sup> 2023 Presentation



SOMERS, WISCONSIN

Master Project Agreement

Core & Main LP  
15655 W Rogers Dr.  
New Berlin, WI 53151

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## Master Project Agreement

This Master Project Agreement (“Agreement”) dated as of June 20, 2023 (the “Effective Date”) between Core & Main LP, a Florida limited partnership (“Core & Main”), and Somers, Wisconsin (“Client”). Core & Main and Client may be referred to herein individually as a “Party,” and jointly as the “Parties.”

1. **Purpose and Scope.** The Parties have entered into this Agreement for the purpose of Core & Main providing an AMI water meter system to Client (the “Project”). Core & Main agrees to undertake the necessary work required for the completion of Core & Main’s obligations under this Agreement, including providing materials and any installation or services as specified in Appendix A (the “Work”). Client agrees to undertake all of its obligations that are identified and to pay Core & Main in the manner contemplated by this Agreement.

2. **Term.** The Term of this Agreement shall begin on the Effective Date and, unless earlier terminated in the manner contemplated by this Agreement, shall endure for the period specified in Appendix A.

3. **Core & Main’s Responsibilities.** Core & Main shall provide all Work as described in this Agreement. Without limiting the generality of the foregoing, Core & Main shall maintain supervision of all its subcontractors. Any work or services beyond the scope of the Work agreed to herein shall not be considered as part of this Agreement. There shall be no implied or verbal agreements between the Parties relating to the subject matter of this Agreement.

4. **Client’s Responsibilities.** Client shall be responsible for cooperating with Core & Main, providing accurate information in a timely manner, and making payment in a timely manner for Work performed. Client shall designate a representative who will be fully acquainted with the Work and will be reasonably accessible to Core & Main and its subcontractors, and will have the authority to make decisions on behalf of Client. Client shall provide to Core & Main and its subcontractors all information regarding legal limitations, utility locations and other information reasonably pertinent to this Agreement and the Project. Client shall be required to give prompt notice should it become aware of any fault or defect in the Project.

5. **Default of Client.** The following events shall be considered events of Default of Client: (a) The failure of Client to make payments to Core & Main in accordance with the terms of this Agreement; (b) any representation or warranty provided by Client that proves to be materially false or misleading when made; (c) Client becomes insolvent, or makes an assignment for the benefit of creditors, or should a voluntary or involuntary petition in bankruptcy or a reorganization or any adjudication of Client as insolvent or bankrupt be filed; (d) any failure of Client to comply with or perform according to the terms of this Agreement or to correct such failure to perform within thirty (30) days of receipt of written notice from Core & Main. If an event of Default by Client occurs, Core & Main will have the right to cancel this Agreement and to terminate immediately all Work hereunder without further obligation except the Client will be obligated to pay for Work performed through the date of termination, plus damages and costs incurred as a result of Client’s default.

6. **Default of Core & Main.** The following events shall be considered events of default on the part of Core & Main: (a) the failure of Core & Main to deliver its Work free and clear of any lien or encumbrance by any subcontractor, laborer, materialman, or other creditor of Core & Main; (b) Core & Main becomes insolvent, or makes an assignment for the benefit of creditors, or should a voluntary or involuntary petition in bankruptcy or a reorganization or any adjudication of Core & Main as insolvent or bankrupt be filed; (c) any representation or warranty (excluding a warranty as contemplated by Section 9 of this Agreement) provided by Core & Main that proves to be materially false or misleading when made, (d) any failure of Core & Main to comply with or perform according to the terms of this Agreement or to commence efforts to correct such failure to perform within thirty (30) days of notice from Client, and thereafter diligently pursue correction. In the event of default by Core & Main, Client will have the right to cancel this Agreement and to terminate immediately all Work hereunder without further obligation except the Client will be obligated to pay for Work performed through the date of termination. Additionally, Client will be entitled to recover the documented excess actual and direct costs of procuring the Work hereunder through alternate sources provided that Client makes efforts to reasonably mitigate such actual and direct costs.

7. **Force Majeure.** Neither Core & Main nor Client shall be responsible to each other for damage or delay that arise from Force Majeure, including but not limited to conditions beyond the reasonable control, and not the result of the fault of the impacted Party, including, without limitation acts of God, storms, extraordinary weather, epidemic or pandemic, acts of government units, strikes or labor disputes, fire, explosions, thefts, vandalism, riots, acts of war or terrorism, non-price related unavailability of materials required for the Project, and unavailability of fuel.

8. **Taxes, Permits, and Fees.** Core & Main shall be responsible for obtaining all permits and related permit fees associated with the Project. The Client must disclose any known fees in advance of contract signing. Client shall pay sales, use, consumer, and like taxes when applicable, as well as any tariffs relating to the materials to be provided hereunder. Client shall be responsible for securing at its sole expense any other necessary approvals, easements, assessments, or required zoning changes. Core & Main shall be responsible for all taxes measured by Core & Main's income.

9. **Warranty.** The extent of the warranty to be provided by Core & Main is set forth in Appendix B.

10. **Indemnity.** Subject to Section 12 of this Agreement:

(a) Except as otherwise expressly provided in Section 10(b) below, Client assumes all liability and risk associated with the use, operation, and storage of any materials and equipment in its custody and control and for property damage, injuries, or deaths associated with or arising out of the use and operation of the Project by Client, except to the extent said damage, injury, or death is the direct result of Core & Main, its employees, and agents.

(b) Core & Main agrees to indemnify, defend and hold Client, its officers and employees harmless from actual and direct losses and damages sustained by Client arising from (a) third party claims to the extent caused by the gross negligence or intentional misconduct of Core & Main, (b) breach of this Agreement or (c) violation of law. To the extent Client has paid Core & Main for its Work, Core & Main shall indemnify and hold Client and its officers and employees harmless from all claims for payment of subcontractors or materialmen hired by Core & Main for Work relating to the Project.

11. **Title and Risk of Loss.** Title and risk of loss for materials and equipment will pass to Client upon delivery to Client at Client's location. If materials are not delivered to Client's location, or if Core & Main is responsible for installation of materials and equipment prior to delivery to Client, then title and risk of loss for materials and equipment will pass to Client upon installation.

12. **Liability.** Core & Main's liability under this Agreement shall not exceed the amounts paid to Core & Main by Client hereunder. NEITHER CORE & MAIN NOR CLIENT SHALL BE RESPONSIBLE TO EACH OTHER FOR ANY INDIRECT, CONSEQUENTIAL, INCIDENTAL, EXEMPLARY OR SPECIAL DAMAGES RESULTING IN ANY FORM FROM THE PROJECT, WHETHER ARISING OUT OF WARRANTY, INDEMNITY, TORT, CONTRACT, OR OTHERWISE.

13. **Insurance.**

(a) During the Term of this Agreement Core & Main will procure and maintain at its own expense the following insurance coverage:

(1)	General Liability	\$1,000,000/occurrence, \$2,000,000 aggregate
(2)	Automobile Liability	\$1,000,000 combined single limit
(3)	Worker's Compensation, including Employer's Liability	As required by law
(4)	Umbrella Liability	\$5,000,000

(b) Core & Main will add Client as an additional insured on the above policies except Workers' Compensation. Core & Main shall provide a certificate of insurance evidencing the above coverage. Notice of cancellation will be provided 30 days in advance.

(c) Core & Main will require its Subcontractors to provide a certificate of insurance evidencing coverage acceptable to Core & Main, and to include Client and Core & Main as additional insureds.

14. **Safety.** Core & Main shall have the primary responsibility for all safety precautions and programs necessary to complete its Work associated with the Project. Core & Main agrees to comply with all applicable regulations,

ordinances, and laws relating to safety. It shall be the responsibility of Client, however, to assure that the sites controlled by Client at which Core & Main is expected to perform its Work are safe sites.

**15. Hazardous Materials.** The Project and the Work expressly excludes any Work of any nature associated or connected with the identification, abatement, cleanup, control, removal, or disposal of hazardous materials or substances. Client warrants and represents that, to the best of Client's knowledge, there is no asbestos or other hazardous materials in the Project premises in areas that Core & Main shall be required to perform work that in any way will affect Core & Main's ability to complete the Project. If Core & Main is made aware or suspects the presence of hazardous materials, Core & Main reserves the right to stop work in the affected area and shall immediately notify Client. It shall remain Client's responsibility to correct the condition to comply with local and federal standards and regulations. Client shall remain responsible for any Claims that result from the presence of the hazardous materials. Client is responsible for proper disposal of all hazardous materials, including but not limited to lithium batteries.

**16. Delays and Access.** In the event of any delay, including but not limited to Force Majeure or delays caused by Client, Core & Main will notify Client in writing of the existence and nature of the delay. Client and Core & Main will then mutually agree upon any new completion dates, and pricing or payment terms for the Work contemplated by this Agreement. Nothing in the foregoing sentence shall be deemed to relieve Client from its obligation to provide Core & Main and its subcontractors reasonable and safe access to facilities that are necessary for Core & Main to complete the Work.

**17. Compliance.** Core & Main and Client will comply with all applicable laws, statutes, rules, regulations, ordinances, codes, and orders of any governmental bodies, agencies, authorities, and courts having jurisdiction.

**18. Dispute Resolution.**

(a) The Parties will attempt in good faith to resolve through negotiation any dispute, claim or controversy arising out of or relating to this Agreement. Either Party may initiate negotiations by providing written notice to the other Party, setting forth the subject of the dispute and the relief requested. The recipient of such notice will respond in writing within three business days from receipt with a statement of its position on, and recommended solution to, the dispute. Thereafter the Parties will attempt to resolve the dispute through negotiations conducted in good faith. If the dispute is not resolved by these negotiations within 15 business days following the date of the initial written notice, the matter will be resolved in accordance with Section 18(b) below.

(b) The Parties agree that in the event any dispute between them relating to this Agreement is not resolved under Section 18(a) above, exclusive jurisdiction shall be in the trial courts located within the county of the State in which Client has its principal office, any objections as to jurisdiction or venue in such court being expressly waived. BOTH CLIENT AND CORE & MAIN HEREBY IRREVOCABLY WAIVE ALL RIGHT TO TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM (WHETHER BASED UPON CONTRACT, TORT OR OTHERWISE) ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE ACTIONS OF THE PARTIES IN THE NEGOTIATIONS, ADMINISTRATION, PERFORMANCE OR ENFORCEMENT THEREOF.

(c) All disputes arising out of this Agreement shall be governed by, and construed in accordance with, the laws of the State where Client has its principal office, without giving effect to any choice of law or conflict of law rules or provisions (whether of the State or any other jurisdiction) that would cause the application hereto of the laws of any jurisdiction other than the laws of the State.

**19. Attorney's Fees.** In the event of any litigation between Parties hereto arising from or with respect to this Agreement, the Parties will each bear their own attorneys' fees and costs of the action.

**20. Assignability.** Neither Party may assign, delegate or otherwise transfer this Agreement or any of its rights or obligations hereunder without the other Party's prior written consent.

**21. Notices.** All notices and communications related to this Agreement shall be made in following address:

If to Client: Somers, Wisconsin  
7511 – 12th Street  
Kenosha, WI 53144

If to Core & Main: Core & Main LP  
15655 W Rogers Dr.  
New Berlin, WI 53151

With a copy to:

Legal Department  
Core & Main LP  
1830 Craig Park Court  
St. Louis, MO 63146  
Ph: (314) 432-4700  
Fax: (314) 432-2550

22. **Binding Effect.** Client and Core & Main each represent and warrant to the other that this Agreement has been duly authorized, executed and delivered by such Party and constitutes a legal, valid and binding agreement enforceable against such Party in accordance with its terms.

23. **Modifications.** This Agreement shall not be modified in any respect except by a written document signed and agreed to by both Core & Main and Client.

24. **Severability.** Any term or provision found to be prohibited by law or unenforceable shall be ineffective to the extent of such prohibition or unenforceability without, to the extent reasonably possible, invalidating the remainder of this Agreement.

25. **Privacy.** The Privacy Policy of Core & Main may be accessed at the following URL:  
[www.coreandmain.com/privacy-notice/](http://www.coreandmain.com/privacy-notice/).

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the day and year first above written.

“CORE & MAIN”

CORE & MAIN LP

By: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Printed Title \_\_\_\_\_

“CLIENT”

SOMERS, WISCONSIN

By: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Printed Title \_\_\_\_\_



## Appendix A

### Project Scope

1. **Summary of Work.** The Summary of Work for the Project contemplated hereunder consists of providing and installing (if applicable) all Project materials and equipment as listed in Exhibit A-1, and management of the installation process (if applicable) within the geographic area defined in the propagation study or such other geographic area as otherwise defined herein (the "Utility Service Area").

2. **Project Implementation Period.** The Project is projected to commence on \_\_\_\_\_, and will be implemented over an approximate \_\_\_\_\_ period of time. Project completion is estimated on or around \_\_\_\_\_.

3. **Compensation.** Core & Main will submit invoices for materials as they are delivered, and for installation and other services no more frequently than weekly. Client agrees to pay Core & Main for the Work as described in Exhibit A-1 and additionally for each supplemental item as required by Client and agreed by the parties. Core & Main reserves the right to increase prices upon thirty (30) calendar days' notice to address factors beyond its control, including but not limited to government regulations or tariffs. Client will make payment to Core & Main within \_\_\_\_ days of the receipt of an invoice.

4. **Installation Responsibilities of Core & Main.**

(a) **Project Installation.** Core & Main agrees to perform the Work in accordance with Client's specifications that are attached hereto during the Project Implementation Period specified above. Core & Main will be responsible for installing the Project according to manufacturer standards and such local standards, if any, as are attached hereto.

(b) **Water Shutoffs.** Core & Main, its agents and subcontractors, will be responsible for shutting off the water to each meter serviced as well as notifying each customer of the water shutoff. Some assistance may be required by Client with the notification of its customers. The installation team will knock on the doors of residential customers as well as leave notifications on their doors. In the case of large commercial customers such as schools, hospitals, nursing homes or any other commercial customer, special efforts will be made to ensure minimum disruption to water needs. In order to prevent any damage from plumbing fixtures that are sensitive to water shutoffs, Core & Main will schedule replacements with these commercial customers and will notify the maintenance personnel when turning the water back on at these facilities. Regardless of any effort of Core & Main, ultimate responsibility of any and all fixtures inside buildings will remain the responsibility of the end user and/or Client as detailed in any Service Contract that exists between Client and its Customers.

(c) **Curb Stops.** In the event the service location lacks a curb stop or it is defective, Core & Main or its representative will contact the Client. In this event the Client will either A) authorize Core & Main to repair the defect at the price as listed in Exhibit A-1 or as otherwise agreed by the Parties or, B) repair the defect with Client's forces and notify Core & Main that the repair has been made or, C) exclude the meter change out from the Project.

(d) **Meter Boxes, Vaults, and Roadways.** Core & Main is responsible for repairing any damages to meter boxes, vaults, and roadways that result from the installation of the Project; provided, however, that Core & Main shall not be liable for pre-existing conditions or leaks. Core & Main will install new meter boxes as authorized by the Client's representative, with appropriate lid selection to be mutually agreed upon. The \_\_\_\_\_ will retain all existing water meters and materials pulled from the ground during the installation.

(e) **AMI Infrastructure Work.** Core & Main will install any infrastructure included in Exhibit A-1 as specified in the attached Statement of Work. The Statement of Work identifies responsibilities of Core & Main and Client associated with the installation of the infrastructure. Client agrees to perform the responsibilities of Client as set forth in the Statement of Work.

(f) Disposal. The \_\_\_\_\_ will be responsible for the disposal of all waste, debris and materials from the installation of the Project.

(g) Certified Installers. In the event this Agreement includes gas or electric meters or should local laws dictate, Core & Main will ensure that the meter installers are certified by the governing board as required.

(h) Liability.

Water Meter Replacement: Core & Main is responsible for any damages that occur within 6" on either side of the water meter resulting from the Project installation. Any damages incurred within this 6" area will be promptly repaired at the expense of Core & Main. Core & Main is not liable for damages outside the 6" zone, either on the water distribution side or on the customer side incurred from the Project installation including shutoff, temporary outage, and restart of water service. Core & Main is not liable for any pre-existing conditions including leaks, faulty workmanship and materials from previous projects or rust. Should such conditions occur (*i.e.* .leaks) Core & Main may document them and at Client's written request, repair them for a negotiated price.

Back-Flow Prevention Devices: Core & Main will not be required to install or repair any Back-Flow Prevention Devices. Core & Main assumes no liability or responsibility for the proper functioning of these devices. Core & Main recommends that the Client notify each customer about the potential impact of thermal expansion, but leaves this decision to the discretion of the Client.

(i) Non-Covered Work. Contracted meter change outs contemplate a standard like-for-like meter lay-length change out. In the event that locations exist which require nonstandard work (*i.e.*, move a service location *etc.*, move fences for or other customer structures & items for access, install systems in heavy traffic locations, alleys, parking lots, re-piping, changing lay-length, adding flange adaptors, *etc.*), Core & Main and the Client will either agree on a price the Client will pay Core & Main to perform the work, or the Client will exclude this work from the Project. Should Core & Main, in its sole discretion, determine that any portion of the Work is unsafe, that portion of the Work will be considered nonstandard and will be excluded from the Project.

## **5. Responsibilities of Client during Installation.**

(a) Owner-Furnished Data. Client shall provide Core & Main all technical data and information in Client's possession, including previous reports, maps, surveys, necessary for Core & Main to perform the Work. Client shall be responsible for identifying the location of meters. Should Core & Main require assistance in finding the meter location, Client shall locate the meter in a timely manner.

(b) Access to Facilities and Property. Client shall make its system facilities and properties available and accessible for inspection by Core & Main and its subcontractors.

(c) Client Cooperation. Client support will be required during implementation of the Project to obtain access to meter boxes/pits, infrastructure sites and to coordinate utility interruptions. Client will provide notification in its billing to its customers that Core & Main is performing the designated work and that possible service interruption may result.

(d) Timely Review. The Client shall examine all invoices and inspect all completed work by Core & Main in a timely manner. In the event that Client fails to make timely payment to Core & Main as a result of Client's delay in inspecting the Work or processing Core & Main's invoice, Core & Main reserves the right to suspend further work without penalty until such time as payment is made. The project completion date will be extended for the same duration of any such delay and suspension of Work.



Exhibit A-1

Project Pricing



Bid Proposal for Somers - Sensus AMI 6-22-23

VILLAGE OF SOMERS  
 Job Location: somers, WI  
 Bid Date: 06/22/2023  
 Core & Main 2988745

**Core & Main**  
 15655 West Rogers Dr  
 New Berlin, WI 53151  
 Phone: 262-786-5186  
 Fax: 262-786-4240

Seq#	Qty	Description	Units	Price	Ext Price	
		<b>DUE TO CURRENT SUPPLY CHAIN DISRUPTIONS, MATERIALS ARE SUBJECT TO PRICING AT TIME OF SHIPMENT. MATERIAL AVAILABILITY AND TIMELINESS OF SHIPMENTS CANNOT BE GUARANTEED. THIS TERM SUPERSEDES ALL OTHER CONTRACTUAL PROVISIONS.</b>				
10		<b>INFRASTRUCTURE</b>				
20	1	SENSUS M400 BASESTATION	EA	35,000.00	35,000.00	
30	1	ANTENNA INSTALLATION	EA	10,000.00	10,000.00	
				<b>SUBTOTAL</b>	<b>45,000.00</b>	
40		<b>ONE TIME SETUP &amp; TRAINING FEES</b>				
50	1	RNI SAAS SETUP FEE	EA	7,957.00	7,957.00	
60	1	SENSUS RNI ON-SITE TRAINING RNI CORE EDUCATION	EA	5,500.00	5,500.00	
70	1	SENSUS ANALYTIC SET UP FEE	EA	3,750.00	3,750.00	
80	1	SENSUS ANALYTICS INTEGRATION BASIC INTEGRATION	EA	5,000.00	5,000.00	
90	1	SENSUS ANALYTIC TRAINING ON-SITE	EA	2,500.00	2,500.00	
110	1	AG6590 AUTOGUN W/BLUE TOOTH 5390753765901	EA	1,460.00	1,460.00	
120	1	SENSUS COMMAND LINK 2 5396353704418	EA	650.00	650.00	
130		<b>NOTE: ANDROID/APPLE TABLET NOT INCLUDED</b>				
140	1	C&M TABLET SET UP FEE	EA	500.00	500.00	
				<b>SUBTOTAL</b>	<b>27,317.00</b>	
150		<b>ANNUAL HOSTING FEE YEAR 1-5</b>				
160	1	SENSUS RNI & SA FEE YEAR 1	EA	15,271.00	15,271.00	
170		<b>3% INCREASE YEAR OVER YEAR</b>				
190		<b>BASED ON 1298 SERVICES</b>				
				<b>SUBTOTAL</b>	<b>15,271.00</b>	
200		<b>IPERL METERS</b>				
210	741	IPERL 3/4 25' 3W PE 100CF SM 4WHL I3S5FLXX	EA	165.00	122,265.00	
				<b>SUBTOTAL</b>	<b>122,265.00</b>	
220		<b>510M RADIOS</b>				
230	1298	510M S/POINT M2 TC SP HR & LD 5396353751201MI	EA	165.00	214,170.00	



Bid Proposal for Somers - Sensus AMI 6-22-23

Bid #: 2988745

Seq#	Qty	Description	Units	Price	Ext Price
				<b>SUBTOTAL</b>	<b>214,170.00</b>
				<b>Sub Total</b>	<b>424,023.00</b>
				<b>Tax</b>	<b>0.00</b>
				<b>Total</b>	<b>424,023.00</b>

UNLESS OTHERWISE SPECIFIED HEREIN, PRICES QUOTED ARE VALID IF ACCEPTED BY CUSTOMER AND PRODUCTS ARE RELEASED BY CUSTOMER FOR MANUFACTURE WITHIN THIRTY (30) CALENDAR DAYS FROM THE DATE OF THIS QUOTATION. CORE & MAIN LP RESERVES THE RIGHT TO INCREASE PRICES TO ADDRESS FACTORS, INCLUDING BUT NOT LIMITED TO, GOVERNMENT REGULATIONS, TARIFFS, TRANSPORTATION, FUEL AND RAW MATERIAL COSTS. DELIVERY WILL COMMENCE BASED UPON MANUFACTURER LEAD TIMES. ANY MATERIAL DELIVERIES DELAYED BEYOND MANUFACTURER LEAD TIMES MAY BE SUBJECT TO PRICE INCREASES AND/OR APPLICABLE STORAGE FEES. THIS BID PROPOSAL IS CONTINGENT UPON BUYER'S ACCEPTANCE OF SELLER'S TERMS AND CONDITIONS OF SALE, AS MODIFIED FROM TIME TO TIME, WHICH CAN BE FOUND AT: <https://coreandmain.com/TandC/>

**Exhibit A-2**

**Sensus Advanced Metering Infrastructure (AMI) Agreement**

**Software as a Service Agreement**

between

**Village of Somers, Wisconsin  
("Customer")**

and  
**Sensus USA Inc.  
("Sensus")**

IN WITNESS WHEREOF, the parties have caused this Software as a Service ("Agreement") to be executed by their duly authorized representatives as of the day and year written below. The date of the last party to sign is the "Effective Date."

This Agreement shall commence on the Effective Date and continue for/until: 5 Years ("Initial Term"). At the end of the Initial Term, this Agreement shall automatically renew for an additional term of 5 years ("Renewal Term"). The "Term" shall refer to both the Initial Term and the Renewal Term.

**Sensus USA Inc.**

**Customer: Village of Somers, Wisconsin**

By: \_\_\_\_\_  
 Name: \_\_\_\_\_  
 Title: \_\_\_\_\_  
 Date: \_\_\_\_\_

By: \_\_\_\_\_  
 Name: \_\_\_\_\_  
 Title: \_\_\_\_\_  
 Date: \_\_\_\_\_

**Contents of this Agreement:**

- Agreement
- Exhibit A Software
- Exhibit B Technical Support

## Agreement

### 1. General

- A. **Agreement Generally.** The scope of this Agreement includes usage terms for Sensus' hosted Software solution, technical support, and supporting terms and conditions for an advanced metering infrastructure solution that Customer will purchase from Sensus' authorized distributor. Customer is not paying Sensus directly for the services provided by Sensus under the Agreement; rather, Customer shall pay Sensus' authorized distributor pursuant to a separate agreement between Customer and such authorized distributor.

### 2. Software.

- A. **Software as a Service (SaaS).** Sensus shall provide Customer with Software as a Service, as defined in Exhibit A, only so long as Customer is current in its payments for such services.
- B. **UCITA.** To the maximum extent permitted by law, the Parties agree that the Uniform Computer Information Transaction Act as enacted by any state shall not apply, in whole or in part, to this Agreement.

### 3. Spectrum

- A. **Spectrum Lease.** The parties previously entered into a spectrum manager lease on 6/8/2016 (the "**Spectrum Lease**"), which is hereby specifically incorporated by reference.

### 4. Equipment.

- A. **Purchase of Equipment.** Customer shall purchase all Field Devices, RF Field Equipment, and other goods (collectively, "**Equipment**") from Sensus' authorized distributor pursuant to the terms and conditions (including any warranties on such Equipment) agreed by Customer and Sensus' authorized distributor. This Agreement shall not affect any terms and conditions, including any warranty terms, agreed by Customer and Sensus' authorized distributor. If Customer elects to purchase any equipment or services directly from Sensus, or if Customer pays any fees or other costs to Sensus, then Sensus' Terms of Sale shall apply. The "**Terms of Sale**" are available at: <https://www.sensus.com/tc>, or 1-800-METER-IT
- B. **THERE ARE NO WARRANTIES IN THIS AGREEMENT, EXPRESS OR IMPLIED. SENSUS EXPRESSLY DISCLAIMS ANY AND ALL REPRESENTATIONS, WARRANTIES AND/OR CONDITIONS, EXPRESSED, IMPLIED, STATUTORY OR OTHERWISE, REGARDING ANY MATTER IN CONNECTION WITH THIS AGREEMENT, INCLUDING WITHOUT LIMITATION, WARRANTIES AS TO FITNESS FOR A PARTICULAR PURPOSE, MERCHANTABILITY, NON-INFRINGEMENT AND TITLE.**

### 5. Services.

- A. **Installation of Equipment.** Installation services for Field Devices, other goods, and RF Field Equipment will be as agreed between the Customer and Sensus' authorized distributor. Sensus will not provide installation services pursuant to this Agreement
- B. **Technical Support.** Sensus shall provide Customer the technical support set forth in Exhibit B.
- C. **Project Management.** Sensus' authorized distributor will provide project management services to Customer. Any project management of the FlexNet System provided by Sensus shall be subject to a separate agreement which describes the scope and pricing for such work.
- D. **Training.** Sensus' authorized distributor will provide Customer with training on the use of the FlexNet System. Any training provided by Sensus shall be subject to a separate agreement which describes the scope and pricing for such work.
- E. **IT Systems Integration Services.** Except as may otherwise be provided herein, integration of the Software into Customer's new or existing internal IT systems is not included in this Agreement. Any integration work shall be subject to a separate agreement which describes the scope and pricing for such work.

### 6. General Terms and Conditions.

- A. **Infringement Indemnity.** Sensus shall indemnify and hold harmless Customer from and against any judgment by a court of competent jurisdiction or settlement reached from any litigation instituted against Customer in the United States by a third party which alleges that the FlexNet System provided hereunder infringes upon the patents or copyrights of such third party, provided that Sensus shall have the right to select counsel in such proceedings and control such proceedings. Notwithstanding the foregoing, Sensus shall have no liability under this indemnity unless Customer cooperates with and assists Sensus in any such proceedings and gives Sensus written notice of any claim hereunder within fourteen (14) days of receiving it. Further, Sensus shall have no liability hereunder if such claim is related to; (i) any change, modification or alteration made to the FlexNet System by Customer or a third party, (ii) use of the FlexNet System in combination with any goods or services not provided by Sensus hereunder, (iii) Customer's failure to use the most recent version of the Software or to otherwise take any corrective action as reasonably directed by Sensus, (iv) compliance by Sensus with any designs, specifications or instructions provided by Customer or compliance by Sensus with an industry standard, or (v) any use of the FlexNet System other than for the Permitted Use. In the event the FlexNet System is adjudicated to infringe a patent or copyright of a third party and its use is enjoined, or, if in the reasonable opinion of Sensus, the FlexNet System is likely to become the subject of an infringement claim, Sensus, at its sole discretion and expense, may; (i) procure for Customer the right to continue using the FlexNet System or (ii) modify or replace the FlexNet System so that it becomes non-infringing. THIS SECTION STATES CUSTOMER'S SOLE AND EXCLUSIVE REMEDY AND SENSUS' ENTIRE LIABILITY FOR ANY CLAIM OF INFRINGEMENT.
- B. **Limitation of Liability.** Sensus' aggregate liability in any and all causes of action arising under, out of or in relation to this Agreement, its negotiation, performance, breach or termination (collectively "**Causes of Action**") shall not exceed the greater of; (a) the total amount paid by Customer directly to Sensus under this Agreement; or (b) ten thousand US dollars (USD 10,000.00). This is so whether the Causes of Action are in tort, including, without limitation, negligence or strict liability, in contract, under statute or otherwise. As separate and independent limitations on liability, Sensus' liability shall be limited to direct damages. Sensus shall not be liable for; (i) any indirect, incidental, special or consequential damages; nor (ii) any revenue or profits lost by Customer or its Affiliates from any End User(s), irrespective whether such lost revenue or profits is categorized as direct damages or otherwise; nor (iii) any In/Out Costs; nor (v) damages arising from maincase or bottom plate breakage caused by freezing temperatures, water hammer conditions, or excessive water pressure. The limitations on liability set forth in this Agreement are fundamental inducements to Sensus entering into this Agreement. They apply unconditionally and in all respects. They are to be interpreted broadly so as to give Sensus the maximum protection permitted under law.
- C. **Termination.** Either party may terminate this Agreement earlier if the other party commits a material breach of this Agreement and such material breach is not cured within forty-five (45) days of written notice by the other party. Upon any expiration or termination of this Agreement, Sensus' and Customer's obligations hereunder shall cease and the software as a service and Spectrum Lease shall immediately cease.
- D. **Force Majeure.** If either party becomes unable, either wholly or in part, by an event of Force Majeure, to fulfill its obligations under this Agreement, the obligations affected by the event of Force Majeure will be suspended during the continuance of that inability. The party affected by the force majeure will take reasonable steps to mitigate the Force Majeure.
- E. **Intellectual Property Rights.**

- i. **Software and Materials.** No Intellectual Property is assigned to Customer hereunder. Excluding Customer Data, Sensus shall own or continue to own all right, title, and interest in and to the Intellectual Property associated with the Software and related documentation, including any derivations and/or derivative works (the "Sensus IP"). To the extent, if any, that any ownership interest in and to such Sensus IP does not automatically vest in Sensus by virtue of this Agreement or otherwise, and instead vests in Customer, Customer agrees to grant and assign and hereby does grant and assign to Sensus all right, title, and interest that Customer may have in and to such Sensus IP. Customer agrees not to reverse engineer any Sensus Products purchased or provided hereunder.
  - ii. **Customer Data.** Notwithstanding the prior paragraph, as between Customer and Sensus, Customer remains the owner of all right, title or interest in or to any Customer Data. "Customer Data" means solely usage data collected by the Field Devices. To avoid doubt, Customer Data does not include non-End User usage data collected by the Field Devices, Software, or FlexNet System, such as network and equipment status information or the like.
  - iii. **Consent to Use of Customer Data.** Customer hereby irrevocably grants to Sensus a royalty-free, non-exclusive, irrevocable right and license to access, store, and use such Customer Data and any other data or information provided to Sensus, to (1) provide the Service; (2) analyze and improve the Service; (3) analyze and improve any Sensus equipment or software; or (4) for any other internal use. As used herein, "Service" means Sensus' obligations under this Agreement.
  - iv. **Access to Customer Data.** Within 45 days of Customer's written request, Sensus will provide Customer a copy of the previous 24 months CMEP interval file and deliver the file to a drop location specified by Customer.
- F. **Data Privacy.** Customer acknowledges that Sensus and its Affiliates (collectively, "Xylem") will collect and process personal data for the purposes outlined in this Agreement. Xylem's data privacy policy is available at <https://www.xylem.com/en-us/support/privacy/>. Customer acknowledges that it has read and understood Xylem's privacy policy and agrees to the use of personal data outlined therein. The collection and use of personal data by Customer is Customer's responsibility.
- G. **Confidentiality.** Except as may be required under applicable law, court order, or regulation, or to the extent required to perform and enforce this Agreement, both parties shall (and shall cause their employees and contractors to) keep all Confidential Information strictly confidential and shall not disclose it to any third party. The Confidential Information may be transmitted orally, in writing, electronically or otherwise observed by either party. Notwithstanding the foregoing, "Confidential Information" shall not include: (i) any information that is in the public domain other than due to Recipient's breach of this Agreement; (ii) any information in the possession of the Recipient without restriction prior to disclosure by the Discloser; or (iii) any information independently developed by the Recipient without reliance on the information disclosed hereunder by the Discloser. "Discloser" means either party that discloses Confidential Information, and "Recipient" means either party that receives it.
- H. **Compliance with Laws.** Customer shall comply with all applicable country, federal, state, and local laws and regulations, as set forth at the time of acceptance and as may be amended, changed, or supplemented. Customer shall not take any action, or permit the taking of any action by a third party, which may render Sensus liable for a violation of applicable laws.
- i. **Export Control Laws.** Customer shall: (i) comply with all applicable U.S. and local laws and regulations governing the use, export, import, re-export, and transfer of products, technology, and services; and (ii) obtain all required authorizations, permits, and licenses. Customer shall immediately notify Sensus, and immediately cease all activities with regards to the applicable transaction, if the Customer knows or has a reasonable suspicion that the equipment, software, or services provided hereunder may be directed to countries in violation of any export control laws. By ordering equipment, software or services, Customer certifies that it is not on any U.S. government export exclusion list.
  - ii. **Anti-Corruption Laws.** Customer shall comply with the United States Foreign Corrupt Practices Act (FCPA), 15 U.S.C. §§ 78dd-1, et seq.; laws and regulations implementing the OECD's Convention on Combating Bribery of Foreign Public Officials in International Business Transactions; the U.N. Convention Against Corruption; the Inter-American Convention Against Corruption; and any other applicable laws and regulations relating to anti-corruption in the Customer's country or any country where performance of this Agreement, or delivery or use of equipment, software or services will occur.
- I. **Non-Waiver of Rights.** A waiver by either party of any breach of this Agreement or the failure or delay of either party to enforce any of the articles or other provisions of this Agreement will not in any way affect, limit or waive that party's right to enforce and compel strict compliance with the same or other articles or provisions.
- J. **Assignment and Sub-contracting.** Either party may assign, transfer or delegate this Agreement without requiring the other party's consent; (i) to an Affiliate; (ii) as part of a merger; or (iii) to a purchaser of all or substantially all of its assets. Apart from the foregoing, neither party may assign, transfer or delegate this Agreement without the prior written consent of the other, which consent shall not be unreasonably withheld. Furthermore, Customer acknowledges Sensus may use subcontractors to perform RF Field Equipment installation, the systems integration work (if applicable), or project management (if applicable), without requiring Customer's consent.
- K. **Amendments.** No alteration, amendment, or other modification shall be binding unless in writing and signed by both Customer and by a vice president (or higher) of Sensus.
- L. **Governing Law and Dispute Resolution.** This Agreement shall be governed by, construed and enforced in accordance with the laws of the State of Delaware. Any and all disputes arising under, out of, or in relation to this Agreement, its negotiation, performance or termination ("Disputes") shall first be resolved by mediation between the Parties. TO THE MAXIMUM EXTENT PERMITTED BY LAW, THE PARTIES AGREE TO A BENCH TRIAL AND THAT THERE SHALL BE NO JURY IN ANY DISPUTES.
- M. **Acknowledgement of Events.** The parties acknowledge and agree that the global COVID-19 pandemic ("COVID-19") is ongoing, dynamic, unpredictable, and as such may impact the ability of Sensus to meet its obligations under this Agreement. The parties agree that, for so long as there is an impact of COVID-19 on Sensus' performance, all performance efforts by Sensus will be on a reasonable efforts basis only and Sensus shall not be responsible for failure to meet its obligations, to the extent that it is precluded from doing so as a result of COVID-19. The parties shall work, in good faith, to make any reasonable adjustments that may be required as a result of COVID-19.
- N. **Survival.** The provisions of this Agreement that are applicable to circumstances arising after its termination or expiration shall survive such termination or expiration.
- O. **Severability.** In the event any provision of this Agreement is held to be void, unlawful or otherwise unenforceable, that provision will be severed from the remainder of the Agreement and replaced automatically by a provision containing terms as nearly like the void, unlawful, or unenforceable provision as possible; and the Agreement, as so modified, will continue to be in full force and effect.
- P. **Four Corners.** This written Agreement, including all of its exhibits and the Spectrum Lease, represents the entire understanding between and obligations of the parties and supersedes all prior understandings, agreements, negotiations, and proposals, whether written or oral, formal or informal between the parties. Any additional writings shall not modify any limitations or remedies provided in the Agreement. There are no other terms or conditions, oral, written, electronic or otherwise. There are no implied obligations. All obligations are specifically set forth in this Agreement. Further, there are no representations that included this Agreement that are not included in it. The ONLY operative provisions are set forth in writing in this Agreement. Without limiting the generality of the foregoing, no purchase order placed by or on behalf of Customer shall alter any of the terms of this Agreement. The parties agree that such documents are for administrative purposes only, even if they have terms and conditions printed on them and even if and when they are accepted and/or processed by Sensus. Any goods, software or services delivered or provided in anticipation of this Agreement (for e.g., as part of a pilot or because this Agreement has not yet been

signed but the parties have begun the deployment) under purchase orders placed prior to the execution of this Agreement are governed by this Agreement upon its execution and it replaces and supersedes any such purchase orders.

- Q. **Counterparts.** This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Additionally, this Agreement may be executed by facsimile or electronic copies, all of which shall be considered an original for all purposes.

7. **Definitions. As used in this Agreement, the following terms shall have the following meanings:**

- A. **"Affiliate"** of a party means any other entity controlling, controlled by, or under common control with such party, where "control" of an entity means the ownership, directly or indirectly, of 50% or more of either; (i) the shares or other equity in such entity; or (ii) the voting rights in such entity.
- B. **"Confidential Information"** means any and all non-public information of either party, including all technical information about either party's products or services, pricing information, marketing and marketing plans, Customer's End Users' data, FlexNet System performance, FlexNet System architecture and design, FlexNet System software, other business and financial information of either party, and all trade secrets of either party.
- C. **"End User"** means any end user of electricity, water, and/or gas (as applicable) that pays Customer for the consumption of electricity, water, and/or gas, as applicable.
- D. **"Field Devices"** means the SmartPoint Modules .
- E. **"FlexNet Base Station"** identifies the Sensus manufactured device consisting of one transceiver, to be located on a tower that receives readings from the SmartPoint Modules (either directly or via an R100 unit) by radio frequency and passes those readings to the RNI by TCP/IP backhaul communication. For clarity, FlexNet Base Stations include Metro Base Stations.
- F. **"FlexNet System"** is comprised of the SmartPoint Modules, RF Field Equipment, Server Hardware, software licenses, Spectrum Lease, and other equipment provided to Customer hereunder. The FlexNet System only includes the foregoing, as provided by Sensus. The FlexNet System does not include goods, equipment, software, licenses or rights provided by a third party or parties to this Agreement.
- G. **"Force Majeure"** means an event beyond a party's reasonable control, including, without limitation, acts of God, hurricane, flood, volcano, tsunami, tornado, storm, tempest, mudslide, vandalism, illegal or unauthorized radio frequency interference, strikes, lockouts, or other industrial disturbances, unavailability of component parts of any goods provided hereunder, acts of public enemies, wars, blockades, insurrections, riots, epidemics, earthquakes, fires, restraints or prohibitions by any court, board, department, commission or agency of the United States or any States, any arrests and restraints, civil disturbances and explosion.
- H. **"Hosted Software"** means those items listed as an Application in Exhibit A.
- I. **"In/Out Costs"** means any costs and expenses incurred by Customer in transporting goods between its warehouse and its End User's premises and any costs and expenses incurred by Customer in installing, uninstalling and removing goods.
- J. **"Intellectual Property"** means patents and patent applications, inventions (whether patentable or not), trademarks, service marks, trade dress, copyrights, trade secrets, know-how, data rights, specifications, drawings, designs, maskwork rights, moral rights, author's rights, and other intellectual property rights, including any derivations and/or derivative works, as may exist now or hereafter come into existence, and all renewals and extensions thereof, regardless of whether any of such rights arise under the laws of the United States or of any other state, country or jurisdiction, any registrations or applications thereof, and all goodwill pertinent thereto.
- K. **"LCM"** identifies the load control modules.
- L. **"Ongoing Fee"** means the annual or monthly fees, as applicable, to be paid by Customer to Sensus' authorized distributor during the Term of this Agreement.
- M. **"Patches"** means patches or other maintenance releases of the Software that correct processing errors and other faults and defects found previous versions of the Software. For clarity, Patches are not Updates or Upgrades.
- N. **"Permitted Use"** means only for reading and analyzing data from Customer's Field Devices in the Service Territory. The Permitted Use does not include reading third devices not provided by Sensus or reading Field Devices outside the Service Territory.
- O. **"R100 Unit"** identifies the Sensus standalone, mounted transceiver that takes the radio frequency readings from the SmartPoint Modules and relays them by radio frequency to the relevant FlexNet Base Station or directly to the RNI by TCP/IP backhaul communication, as the case may be.
- P. **"Release"** means both Updates and Upgrades.
- Q. **"Remote Transceiver"** identifies the Sensus standalone, mounted relay device that takes the radio frequency readings from the SmartPoint Modules and relays them directly to the RNI by TCP/IP backhaul communication.
- R. **"RF Field Equipment"** means, collectively, FlexNet Base Stations, R100 units (if any) and Remote Transceivers (if any).
- S. **"RNI"** identifies the regional network interfaces consisting of hardware and software used to gather, store, and report data collected by the FlexNet Base Stations from the SmartPoint Modules. The RNI hardware specifications will be provided by Sensus upon written request from Customer.
- T. **"RNI Software"** identifies the Sensus proprietary software used in the RNI and any Patches, Updates, and Upgrades that are provided to Customer pursuant to the terms of this Agreement.
- U. **"Service Territory"** identifies the geographic area where Customer utilizes Sensus equipment to provide services to End Users as of the Effective Date. This area will be described on the propagation study in the parties' Spectrum Lease filing with the FCC.
- V. **"Server Hardware"** means the RNI hardware.
- W. **"SmartPoint™ Modules"** identifies the Sensus transmission devices installed on devices such as meters, distribution automation equipment and demand/response devices located at Customer's End Users' premises that communicate with the relevant devices and transmit those communications by radio frequency to the relevant piece of RF Field Equipment.
- X. **"Software"** means all the Sensus proprietary software provided pursuant to this Agreement, and any Patches, Updates, and Upgrades that are provided to Customer pursuant to the terms of this Agreement. The Software does not include any third party software.
- Y. **"Updates"** means releases of the Software that constitute a minor improvement in functionality.
- Z. **"Upgrades"** means releases of the Software which constitute a significant improvement in functionality or architecture of the Software.
- AA. **"WAN Backhaul"** means the communication link between FlexNet Base Stations and Remote Transceivers and RNI.

**Exhibit A  
Software**

**Software as a Service**

**1. Description of Services.**

This exhibit contains the details of the Software as a Service that Sensus shall provide to Customer if both; (i) pricing for the application of Software as a Service has been provided to the Customer; and (ii) the Customer is current in its payments to Sensus' authorized distributor for such application of Software as a Service.

**A. Software as a Service Generally.**

Software as a Service is a managed service in which Sensus will be responsible for the day-to-day monitoring, maintenance, management, and supporting of Customer's software applications. In a Software as a Service solution, Sensus owns all components of the solution (server hardware, storage, data center, network equipment, Sensus software, and all third-party software) required to run and operate the application. These software applications consist of the following (each an "Application"):

- Regional Network Interface (RNI) Software
- Sensus Analytics
  - Enhanced Package

The managed application systems consist of the hardware, Sensus Software, and other third-party software that is required to operate the software applications. Each Application will have a production, and Disaster Recovery (as described below) environment Test environments are not provided unless otherwise specifically agreed by Sensus in writing. Sensus will manage the Applications by providing 24 x 7 x 365 monitoring of the availability and performance of the Applications.

**B. Use of Software as a Service.** Subject to the terms of this Agreement, Sensus shall make Software as a Service available to Customer to access and use solely for the Permitted Use and solely for so long as Customer is current in its payments to Sensus or its authorized distributor for Software as a Service. The Software as a Service term commences on the date that Sensus first makes Software as a Service available to Customer for use, and ends upon the earlier of: (i) the expiration or termination of the Agreement; (ii) breach by Customer of this exhibit or the Agreement; or (iii) Customer's termination of Software as a Service as set forth in paragraph (C) below.

**C. Termination of an Application.** Customer shall have the option at any time before the end of the Term to terminate any Application by giving Sensus one hundred twenty (120) days prior written notice. Such notice, once delivered to Sensus, is irrevocable. Should Customer elect to terminate any Application, Customer acknowledges that: (a) Customer shall pay all applicable fees, including any unpaid Software as a Service fees due in the current calendar year plus a ten percent (10%) early termination fee, where such fee is calculated based on the annual Software as a Service fee due in the current calendar year; and (b) Software as a Service for such Application shall immediately cease. If Customer elects to terminate the RNI Application in the Software as a Service environment but does not terminate the Agreement generally, then upon delivery of the notice to Sensus, Customer shall purchase the necessary (a) RNI hardware from a third party and (b) RNI software license at Sensus' then-current pricing. No portion of the Software as a Service fees shall be applied to the purchase of the RNI hardware or software license.

**D. Software as a Service means only the following services:**

- i. Sensus will provide the use of required hardware, located at Sensus' or a third-party's data center facility (as determined by Sensus), that is necessary to operate the Application.
- ii. Sensus will provide production and disaster recovery environments for Application.
- iii. Sensus will provide patches, updates, and upgrades to latest Sensus Hosted Software release.
- iv. Sensus will configure and manage the equipment (server hardware, routers, switches, firewalls, etc.) in the data centers:
  - (a) Network addresses and virtual private networks (VPN)
  - (b) Standard time source (NTP or GPS)
  - (c) Security access points
  - (d) Respond to relevant alarms and notifications
- v. Capacity and performance management. Sensus will:
  - (a) Monitor capacity and performance of the Application server and software applications 24x7x365 using KPI metrics, thresholds, and alerts to proactively identify any potential issues related to system capacity and/or performance (i.e. database, backspool, logs, message broker storage, etc.)
  - (b) If an issue is identified to have a potential impact to the system, Sensus will open an incident ticket and manage the ticket through resolution per Exhibit B, Technical Support.
  - (c) Manage and maintain the performance of the server and perform any change or configuration to the server, in accordance to standard configuration and change management policies and procedures.
  - (d) Manage and maintain the server storage capacity and performance of the Storage Area Network (SAN), in accordance to standard configuration and change management policies and procedures.
  - (e) Exceptions may occur to the system that require Sensus to take immediate action to maintain the system capacity and performance levels, and Sensus has authority to make changes without Customer approval as needed, in accordance to standard configuration and change management policies and procedures.
- vi. Database management. Sensus will:
  - (a) Implement the data retention plan and policy, and will provide the policy upon request.
  - (b) Monitor space and capacity requirements.
  - (c) Respond to database alarms and notifications.
  - (d) Install database software upgrades and patches.
  - (e) Perform routine database maintenance and cleanup of database to improve capacity and performance, such as rebuilding indexes, updating indexes, consistency checks, run SQL query/agent jobs, etc.
- vii. Incident and Problem Management. Sensus will:
  - (a) Proactively monitor managed systems (24x7x365) for key events and thresholds to proactively detect and identify incidents.
  - (b) Respond to incidents and problems that may occur to the Application(s).
  - (c) Maintain policies and procedures for responding to incidents and performing root cause analysis for ongoing problems.
  - (d) Correlate incidents and problems where applicable.

- (e) Sensus personnel will use the self-service portal to document and track incidents.
- (f) In the event that Sensus personnel is unable to resolve an issue, the issue will be escalated to the appropriate Subject Matter Expert (SME).
- (g) Maintain responsibility for managing incident and problems through resolution and will coordinate with Customer's personnel and/or any required third-party vendor to resolve the issue.
- (h) Provide telephone support consistent with Exhibit B, Technical Support in the case of undetected events.
- viii. Security Management. Sensus will:
  - (a) Monitor the physical and cyber security of the server and Application(s) 24x7x365 to ensure system is highly secure in accordance with NIST Security Standards.
  - (b) Perform active intrusion prevention and detection of the data center network and firewalls, and monitor logs and alerts.
  - (c) Conduct period penetration testing of the network and data center facilities.
  - (d) Conduct monthly vulnerability scanning by both internal staff and external vendors.
  - (e) Perform anti-virus and Malware patch management on all systems.
  - (f) Install updates to virus protection software and related files (including virus signature files and similar files) on all servers from the update being generally available from the anti-virus software provider.
  - (g) Respond to any potential threat found on the system and work to eliminate any virus or malware found.
  - (h) Adhere to and submit certification to NERC/CIP Cyber Security standards.
  - (i) Monitors industry regulation/standards regarding security – NERC, FERC, NIST, OpenSG, etc. through the dedicated Sensus security team.
  - (j) Provide secure web portal access (SSL) to the Application(s).
- ix. Backup and Disaster Recovery Management. Sensus will:
  - (a) Perform daily backups of data providing one (1) year of history for auditing and restoration purposes.
  - (b) Back-up and store data (on tapes or other storage media as appropriate) off-site to provide protection against disasters and to meet file recovery needs.
  - (c) Conduct incremental and full back-ups to capture data, and changes to data, on the Application(s).
  - (d) Replicate the Application(s) environments to a geographically separated data center location to provide a full disaster recovery environment for the Application production system.
  - (e) Provide disaster recovery environment and perform fail-over to Disaster Recovery environment within forty-eight (48) hours of declared event.
  - (f) Generate a report following each and any disaster measuring performance against the disaster recovery plan and identification of problem areas and plans for resolution.
  - (g) Maintain a disaster recovery plan. In the event of a disaster, Sensus shall provide the services in accordance with the disaster recovery plan.
  - (h) In the case of a disaster and loss of access to or use of the Application, Sensus would use commercially reasonable efforts per the Recovery Time Objectives (RTO) and Recovery Point Objectives (RPO) specified herein to restore operations at the same location or at a backup location within forty-eight (48) hours.
  - (i) The Application shall have a RTO of forty-eight (48) hours.
  - (j) The RPO shall be a full recovery of the Application(s), with an RPO of one (1) hours, using no more than a twenty-four (24) hour old backup. All meter-related data shall be pushed from each Base Station/TGB restoring the database to real-time minus external interfaced systems from the day prior.
  - (k) Data from external interfaced systems shall be recreated within a forty-eight (48) hour period with the assistance of Customer personnel and staff, as needed.

**E. Customer Responsibilities:**

- i. Coordinate and schedule any changes submitted by Sensus to the system in accordance with standard configuration and change management procedures.
- ii. Participate in all required configuration and change management procedures.
- iii. Customer will log incidents related to the managed Application with Sensus personnel via email, web portal ticket entry, or phone call.
- iv. Responsible for periodic processing of accounts or readings (i.e., billing files) for Customer's billing system for billing or other analysis purposes.
- v. Responsible for any field labor to troubleshoot any SmartPoint modules or smart meters in the field in populations that have been previously deployed and accepted.
- vi. First response labor to troubleshoot FlexNet Base Station, R100s, Remote Transceivers or other field network equipment.
- vii. Responsible for local area network configuration, management, and support.
- viii. Identify and research problems with meter reads and meter read performance.
- ix. Create and manage user accounts.
- x. Customize application configurations.
- xi. Support application users.
- xii. Investigate application operational issues (e.g., meter reads, reports, alarms, etc.).
- xiii. Respond to alarms and notifications.
- xiv. Perform firmware upgrades over-the-air, or delegate and monitor field personnel for on-site upgrades.

**F. Software as a Service** does not include any of the following services:

- i. Parts or labor required to repair damage to any field network equipment that is the result of a Force Majeure event.
- ii. Any integration between applications, such as Harris MeterSense, would require a Professional Services contract agreement to be scoped, submitted, and agreed in a signed writing between Sensus and all the applicable parties.

**If an item is not listed in subparagraphs in item (D) above, such item is excluded from the Software as a Service and is subject to additional pricing.**

**2. Further Agreements**

**A. System Uptime Rate.**

- i. Sensus (or its contractor) shall manage and maintain the Application(s) on computers owned or controlled by Sensus (or its contractors) and shall provide Customer access to the managed Application(s) via internet or point to point connection (i.e., Managed-Access use), according to the terms below. Sensus endeavors to maintain an average System Uptime Rate equal to ninety-nine (99.0) per Month (as defined below). The System Uptime Rate, cumulative across all Applications, shall be calculated as follows:

$$\text{System Uptime Rate} = 100 \times \left( \frac{\text{TMO} - \text{Total Non-Scheduled Downtime minutes in the Month}}{\text{Total Minutes in the Month}} \right)$$

**TMO**

- ii. **Calculations**
  - a. **Targeted Minutes of Operation** or **TMO** means total minutes cumulative across all Applications in the applicable month minus the Scheduled Downtime in the Month.
  - b. **Scheduled Downtime** means the number of minutes during the Month, as measured by Sensus, in which access to any Application is scheduled to be unavailable for use by Customer due to planned system maintenance. Sensus shall provide Customer notice (via email or otherwise) at least seven (7) days in advance of commencement of the Scheduled Downtime.
  - c. **Non-Scheduled Downtime** means the number of minutes during the Month, as measured by Sensus, in which access to any Application is unavailable for use by Customer due to reasons other than Scheduled Downtime or the Exceptions, as defined below (e.g., due to a need for unplanned maintenance or repair).
- iii. **Exceptions.** Exceptions mean the following events:
  - Force Majeure
  - Emergency Work, as defined below; and
  - Lack of Internet Availability, as described below.
  - a. **Emergency Work.** In the event that Force Majeure, emergencies, dangerous conditions or other exceptional circumstances arise or continue during TMO, Sensus shall be entitled to take any actions that Sensus, in good faith, determines is necessary or advisable to prevent, remedy, mitigate, or otherwise address actual or potential harm, interruption, loss, threat, security or like concern to any of the Application(s) ("Emergency Work"). Such Emergency Work may include, but is not limited to: analysis, testing, repair, maintenance, re-setting and other servicing of the hardware, cabling, networks, software and other devices, materials and systems through which access to and/or use of the Application(s) by the Customer is made available (the "Managed Systems"). Sensus shall endeavor to provide advance notice of such Emergency Work to Customer when practicable and possible.
  - b. **Lack of Internet Availability.** Sensus shall not be responsible for any deterioration of performance attributable to latencies in the public internet or point-to-point network connection operated by a third party. Customer expressly acknowledges and agrees that Sensus does not and cannot control the flow of data to or from Sensus' networks and other portions of the Internet, and that such flow depends in part on the performance of Internet services provided or controlled by third parties, and that at times, actions or inactions of such third parties can impair or disrupt data transmitted through, and/or Customer's connections to, the Internet or point-to-point data connection (or portions thereof). Although Sensus will use commercially reasonable efforts to take actions Sensus may deem appropriate to mitigate the effects of any such events, Sensus cannot guarantee that such events will not occur. Accordingly, Sensus disclaims any and all liability resulting from or relating to such events.
- iv. **System Availability.** For each month that the System Uptime Rates for the production RNI falls below 99.0%, Sensus will issue Customer the following Service Level Credits:

System Uptime Rate per calendar month	Service Level Credit
Less than 99.0% but at least 97.5%	5% of the monthly RNI SaaS Fees in which the service level default occurred (Note: SaaS fees are pre-paid annually and for purposes of SLA Credits are computed on a monthly basis.)
Less than 97.5% but at least 95.0%	10% of the monthly RNI SaaS Fees in which the service level default occurred
Less than 95.0%	20% of the monthly RNI SaaS Fees in which the service level default occurred

Service Level Credits for any single month shall not exceed 20% of the RNI SaaS Fee associated with the month in which the service level default occurred. Sensus records and data will be the sole basis for all Service Level Credit calculations and determinations, provided that such records and data must be made available to Customer for review and agreement by Customer. To receive a Service Level Credit, Customer must issue a written request no later than ten (10) days after the Service Level Credit has accrued. Sensus will apply each valid Service Level Credit to the Customer's invoice within 2 billing cycles after Sensus' receipt of Customer's request and confirmation of the failure to meet the applicable Service Level Credit. Service Level Credits will not be payable for failures to meet the System Uptime Rate caused by any Exceptions. No Service Level Credit will apply if Customer is not current in its undisputed payment obligations under the Agreement. Service Level Credits are exclusive of any applicable taxes charged to Customer or collected by Sensus. Sensus shall not refund an unused Service Level Credits or pay cash to Customer for any unused Service Level Credits. Any unused Service Level Credits at the time the Agreement terminates will be forever forfeited. THE SERVICE LEVEL CREDITS DESCRIBED IN THIS SECTION ARE THE SOLE AND EXCLUSIVE REMEDY FOR SENSUS' FAILURE TO MEET THE SYSTEM UPTIME REQUIREMENT OR ANY DEFECTIVE SAAS PERFORMANCE. IN NO EVENT SHALL THE AGGREGATE AMOUNT OF SERVICE LEVEL CREDITS IN ANY ANNUAL PERIOD EXCEED 20% OF THE ANNUAL RNI SAAS FEE.

- B. **Data Center Site-Security.** Although Sensus may modify such security arrangements without consent or notice to Customer, Customer acknowledges the following are the current arrangements regarding physical access to and support of the primary hardware components of the Managed Systems:
  - i. The computer room(s) in which the hardware is installed is accessible only to authorized individuals.
  - ii. Power infrastructure includes one or more uninterruptible power supply (UPS) devices and diesel generators or other alternative power for back-up electrical power.
  - iii. Air-conditioning facilities (for humidity and temperature controls) are provided in or for such computer room(s) and can be monitored and adjusted for humidity and temperature settings and control. Such air systems are supported by redundant, back-up and/or switch-over environmental units.
  - iv. Such electrical and A/C systems are monitored on an ongoing basis and personnel are available to respond to system emergencies (if any) in real time.
  - v. Dry pipe pre-action fire detection and suppression systems are provided.
  - vi. Data circuits are available via multiple providers and diverse paths, giving access redundancy.
- C. **Responsibilities of Customer.**
  - i. Customer shall promptly pay all Software as a Service fees.
  - ii. Customer may not (i) carelessly, knowingly, intentionally or maliciously threaten, disrupt, harm, abuse or interfere with the Application(s), Managed Systems or any of their functionality, performance, security or integrity, nor attempt to do so; (ii) impersonate any person or entity, including, but not limited to, Sensus, a Sensus employee or another user; or (iii) forge, falsify, disguise or otherwise manipulate any identification information associated with Customer's access to or use of the Application(s).
  - iii. The provisioning, compatibility, operation, security, support, and maintenance of Customer's hardware and software ("Customer's Systems") is exclusively the responsibility of Customer. Customer is also responsible, in particular, for correctly configuring and maintaining (i) the desktop

environment used by Customer to access the Application(s) managed by Sensus; and (ii) Customer's network router and firewall, if applicable, to allow data to flow between the Customer's Systems and Sensus' Managed Systems in a secure manner via the public Internet.

- iv. Upon receiving the system administrator account from Sensus, Customer shall create username and passwords for each of Customer's authorized users and complete the applicable Sensus registration process (Authorized Users). Such usernames and passwords will allow Authorized Users to access the Application(s). Customer shall be solely responsible for maintaining the security and confidentiality of each user ID and password pair associated with Customer's account, and Sensus will not be liable for any loss, damage or liability arising from Customer's account or any user ID and password pairs associated with Customer. Customer is fully responsible for all acts and omissions that occur through the use of Customer's account and any user ID and password pairs. Customer agrees (i) not to allow anyone other than the Authorized Users to have any access to, or use of Customer's account or any user ID and password pairs at any time; (ii) to notify Sensus immediately of any actual or suspected unauthorized use of Customer's account or any of such user ID and password pairs, or any other breach or suspected breach of security, restricted use or confidentiality; and (iii) to take the Sensus-recommended steps to log out from and otherwise exit the Application(s) and Managed Systems at the end of each session. Customer agrees that Sensus shall be entitled to rely, without inquiry, on the validity of the user accessing the Application(s) application through Customer's account, account ID, usernames or passwords.
- v. Customer shall be responsible for the day-to-day operations of the Application(s) and FlexNet System. This includes, without limitation, (i) researching problems with meter reads and system performance, (ii) creating and managing user accounts, (iii) customizing application configurations, (iv) supporting application users, (v) investigating application operational issues, (vi) responding to alarms and notifications, and (vii) performing over-the-air commands (such as firmware updates or configuration changes).

#### D. Software Solution Components.

- i. **Description of Software Solutions.** Sensus software consists of a core communication module and a set of applications. Some applications are required to perform basic solution capabilities, other applications are optional and add additional capabilities and function to the overall solution. As Customer's business process expands and/or new Sensus offerings are made available, additional applications and functionality can dynamically be added to the solution, provided Customer purchases such additional applications.
- ii. **Regional Network Interface.** The Regional Network Interface (RNI) or Sensus head-end is the centralized intelligence of the FlexNet network; the RNI's primary objective is to transfer endpoint (such as meters) data to the Customer and the advanced feature applications. The RNI is adaptable to Customer configurations by simultaneously supporting a wide range of FlexNet enabled endpoints; including but not limited to meters (electric, water, gas), street lighting, and Home Area Network devices.
  - a. Core Package
    - (i) Communication
      1. Manages all inbound and outbound traffic to and from endpoints
      2. Outbound routing optimization
      3. Route analyzer
      4. AES256 bit encryption of radio messages
      5. Reports and metric details of network performance and troubleshooting aids
      6. Management of RF equipment (base stations and endpoint radios)
    - (ii) Data Collection
      1. Missing read management
      2. Management of duplicate reads
      3. 60 day temporary storage
    - (iii) Application integration
      1. To Sensus Analytics applications
      2. Enable 3<sup>rd</sup> party application integration
      3. Batch CMEP file export
      4. Real-time access through MultiSpeak
    - (iv) Endpoint Management
      1. Gas, water, electric, lighting concurrent support
      2. Remote configuration
      3. Remote firmware updates
      4. Reports, metrics and Troubleshooting
    - (v) User Management
      1. Secure access
      2. Password management
      3. Definable user roles
      4. User permissions to manage access to capabilities
  - b. Integration of RNI. Sensus shall provide RNI integration support services to Customer only to the extent specifically provided below:
    - (i) Sensus shall meet with the representative from the Customer's system(s) targeted for integration to determine which integration method is appropriate (e.g., Multispeak, CMEP, etc.).
      1. In scope and included integration efforts: Provide the gateway URLs to the integrating system as needed, provide Customer with standard integration API documentation, validate and test that the correct Customer information is flowing into and/or out of the RNI.
      2. Out of scope and subject to additional charges: Modifications or extensions to the standard API provided by Sensus and any integration efforts not outlined above as in scope and included.
    - (ii) Customer Responsibilities:
      1. Provide Sensus with information about the relevant information Customer wishes to transfer and integrate with the RNI.
      2. Establish the network and security required for the two systems to reasonably communicate.
      3. Verify integration to third party system functionality is working as intended.
    - (iii) If an item is not listed in subparagraph (i) above, such item is excluded from the integration of Sensus RNI Support and is subject to additional pricing.

#### 3. Sensus Analytics

Sensus Analytics is a cloud-based solution and data platform that allows storage and retrieval of raw reads and data from other sources for analysis, exportation, and inquiry or reporting. The platform provides applications and reporting capabilities.

- A. Essential Package.** The Essential Package of the Sensus Analytics Application shall consist of the following modules:
- i. Device Access
    - a. Allows search for meter details by using data imported from the billing system or the Sensus Device ID or AMI ID.
    - b. Allows a view of the meter interval or register reads.
    - c. Meter data is available to be copied, printed, or saved to certain user programs or file formats, specifically CSV, PDF, and Spreadsheet.
    - d. Allows the current and historical data to be viewed.
    - e. Allows the current usage to be compared to historical distribution averages.
    - f. Allows the user to see the meter location on a map view.
    - g. Allows notifications for an event on a single meter to be forwarded to a Customer employee.
    - h. Allows details to be viewed about a meter – (dependent on the data integrated from other systems).
  - ii. Meter Insight (provides the following)
    - a. # of active meters.
    - b. # of orphaned meters with drill down to the list of meters.
    - c. # of inactive meters with usage drill down to the list of meters.
    - d. # of stale meters with drill down to the list of meters.
    - e. # of almost stale meters with drill down to the list of meters.
    - f. # of meters where no read is available with drill down to the list of meters.
    - g. # of meters with maximum threshold exceptions with drill down to the list of meters.
    - h. # of meters with minimum threshold exceptions with drill down to the list of meters.
    - i. # of unknown radios with drill down to the list of meters.
  - iii. Report Access
    - a. Allows the user to see meter alarms and choose a report from a list of standard reports.
    - b. Master Route Register Reads: Shows the latest reads for all meters within specified time window.
    - c. Meter Route Intervals Reads: Allows users to inspect intervals of a single meter over a period of time.
    - d. Master Route No Readings: List all meters that are active in the system, but have not been sending reads within the specified time window.
    - e. Consumption Report: List meters' consumption based on meter readings within the specified time window.
    - f. Zero Consumption for Period: List meters whose readings do not change over a period of time.
    - g. Negative Consumption: Shows the number of occurrences and readings of negative consumption for the last 24hr, 48hr and 72hr from the entered roll up date.
    - h. High Low Exception Report: Displays meters whose reads exceed minimum or/and maximum threshold, within a time range.
    - i. Consumption vs Previous Reported Read: Compares latest reading (from RNI) with last known read received from CIS.
    - j. Consumption Exception 24 hour Report: This report shows meters that satisfy these two conditions: (1) The daily average consumptions exceed entered daily consumption threshold; (2) The number of days when daily thresholds are exceeded are greater than the entered exception per day threshold.
    - k. Endpoint Details: Shows the current state of meters that are created within the specified time range.
    - l. Orphaned Meters: List meters that are marked as 'orphaned', which are created as of entered Created as of parameter.
    - m. Billing Request Mismatch: Displays meters in a billing request that have different AMR id with the ones sent by RNI. It also shows AMR id in billing request that have different meter Id in the RNI. Users must enter which billing request file prior to running the report.
    - n. All Alarms Report: List all alarms occurred during a time window. Users can select which alarm to show.
  - iv. Billing Access
    - a. Initiate the creation of billing export files formatted to the import needs of the billing system.
    - b. Receive billing request files from the billing system to identify what meters to include in the billing export file in the case where billing request file option is used.
    - c. Provides a repository of past billing files that were either used for billing preparation or actually sent to the billing system.
    - d. Will store created billing files for a period of three years unless otherwise denoted.
    - e. The system will allow creation of test files before export to the billing system.
  - v. Billing Adaptor
    - a. The underlying configurator and tools mapping the extraction of billing data to enable integration to the utility's billing system.
  - vi. Data Store
    - a. Allows storage of meter reading data including Intervals, Registers, and Alarms to be stored.
    - b. Stored data is available online for reports and analysis.
    - c. Data will be retained for 3 years. Additional duration can be purchased.
- B. Enhanced Package.** The Enhanced Package shall consist of the modules listed above in the Essential Package, as well as the following additional modules:
- i. Alarm Insight
    - a. Allows the user to summarize and filter alarms by a date range.
    - b. Allows the user to review all alarm types on a single screen.
    - c. The user can filter out the alarms not wanted on the screen.
    - d. Alarm totals can be visualized.
    - e. Adds a view of trending alarms over time.
    - f. Click to drill down on an alarm to gain more information on specific events.
    - g. Click to analyze a specific event on a particular device.
  - ii. Alert Manager
    - a. Allows creation of alert groups who will be notified when an alarm occurs.
    - b. Users can manage alert groups by adding and removing group members.
    - c. Allows selection of notification method for how end users in the group will be notified; email or SMS (text message).

- d. Allows creation of an alert from the available system events from smart points and assign to a group.
- e. Monitors the systems meters for events. When an event is triggered, all users in the group will be notified.

**C. Integration of Sensus Analytics.** Sensus shall provide integration support services to Customer only to the extent specifically provided below:

- i. Sensus shall provide Customer with a simple flat file specification known as VFlex for the integration of the Customer's back office system to the Sensus Analytics modules. The VFlex shall contain the following types of information: Device ids, end users in the system, end user status, end user account information, end user name, and other end user details. This flat file may be delimited or fixed width. Customer shall produce this file and transmit it to the FTP location designated by Sensus. When sent to the Sensus FTP servers, this file exchange will enable the system to become operational with the Customer's systems. Customer shall produce this file and transmit it to the FTP location designated by Sensus. Sensus will provide reasonable support to explain to Customer the required vs. optional fields that are in the specification, testing and validation of the file format and content.
- ii. In scope and included integration efforts: kick-off meeting to engage all required parties, mapping the Customer's fields to the VFlex specification, validation of expected output, and a two (2) hour system review of Sensus Analytics application and integration with the Customer's system (conducted remotely).
- iii. Out of scope and subject to additional charges will be the transformation of data where business logic including code must be written to modify the field content or format of the data to meet the VFlex specification.
- iv. Sensus' integration services consist of four (4) hours of assistance (remote or on-site, as determined by Sensus). If additional time is needed to complete the integration efforts, Sensus shall invoice Customer for additional fees on an actual time and materials basis.
- v. **If an item is not listed in subparagraphs (i) or (ii) above, such item is excluded from the integration of Sensus Analytics Support and is subject to additional pricing.**
- vi. **Data Import.** The Sensus Analytics Application contains adapters for the import of data from; (a) Customer's FlexNet System; and/or (b) AutoRead application for handheld and drive by systems, as applicable.
- vii. **Customer Acknowledgements.**
  - a. Customer acknowledges that the Sensus Analytics Application provides up to fifty (50) user logins for Customer's use.
  - b. Customer acknowledges and agrees the Sensus Analytics Application is based upon the actual number of End Users within Customer's Service Territory. Pricing may increase if Customer's Service Territory or actual number of End Users expands.
  - c. Customer acknowledges that all data related to the Sensus Analytics Applications is geographically hosted within the United States of America. Customer accepts the geographic location of such hosting, and indemnifies Sensus for any claims resulting therefrom.
  - d. Customer acknowledges and agrees that the Intellectual Property provisions of this Agreement apply in all respects to Customer's access to and use of the Sensus Analytics Applications.
  - e. Customer is responsible for validating the data analyzed by the Sensus Analytics Applications. Sensus makes no promises of improving Customer's operations or saving Customer money, nor is Sensus liable for any damages resulting from decisions made by Customer related to Customer's use of Sensus Analytics.

**4. Third Party Software.**

**A. RedHat Linux.** If Sensus is providing Customer with a license to use RedHat Linux Software, Customer agrees to the following:

By entering into this Agreement, Customer agrees to abide by and to be legally bound by the terms and conditions of the Red Hat End User License Agreements identified below, each of which are incorporated into this Agreement by reference and are available at the websites identified below. Please read the Red Hat End User License Agreements and incorporated references carefully.

Subscription:	End User License Agreement:
Red Hat Enterprise Linux	<a href="http://www.redhat.com/licenses/rhel_rha_eula.html">http://www.redhat.com/licenses/rhel_rha_eula.html</a>
JBoss Enterprise Middleware	<a href="http://www.redhat.com/licenses/jboss_eula.html">http://www.redhat.com/licenses/jboss_eula.html</a>

## Exhibit B Technical Support

### 1. Introduction

Sensus Technical Services provides utility customers with a single point of contact for Tier 1 support of technical issues as well as any coordination of additional resources required to resolve the issue. Requests that require specialized skills are to be forwarded to a senior support engineer or Technical Advisor within the team for further analysis. If Technical Services has exhausted all troubleshooting efforts for the product type, the issue will escalate to the Engineering Support Team. Occasionally, on-site troubleshooting/analysis may be required. The preferred order of on-site support is:

- a) The Customer (for assistance with the easiest and lowest time-consuming activities such as power on/power off).
- b) The local distributor.
- c) Sensus employees or contracted personnel, if required to fulfill a contract commitment.

### 2. Support Categories

- 2.1. General questions regarding functionality, use of product, how-to, and requests for assistance on Sensus AMR, AMI, RF Network Equipment, Metering Products, Sensus Lighting Control, and Demand Response Management System (FlexNet Home).
- 2.2. Proactive reporting and resolution of problems.
- 2.3. Reactive reporting to isolate, document, and solve reported hardware/software defects.
- 2.4. Responding to service requests and product changes.
- 2.5. Addressing customer inquiries with printed or electronic documentation, examples, or additional explanation/clarification.

### 3. Support Hours

- 3.1. Standard Support Hours: Toll-free telephone support (1-800-638-3748 option #2) is available Monday thru Friday from 8:00 a.m. EST to 8:00 p.m. EST. After-hours, holiday and weekend support for Severity 1 and Severity 2 issues is available by calling 1-800-638-3748, option #8.

### 4. Support Procedures

- 4.1. Customer identifies an issue or potential problem and calls Technical Services at 1-800-638-3748 Option #2. The Customer Service Associate or Technical Support Engineer will submit a Salesforce ticket.
- 4.2. The Customer Service Associate or Technical Support Engineer will identify the caller name and utility by the assigned software serial number, city, and state based on where the call originated. The Customer Service Associate or Technical Support Engineer will require a brief description of the problem symptoms, or error messages depending on nature of the incident. The nature of the problem and severity levels will be mutually agreed upon by both parties (either at the time the issue is entered or prior to upgrading or downgrading an existing issue) using the severity definitions below as a guideline. The severity level is then captured into Salesforce for ticket creation and resolution processing. Any time during the processing of this ticket, if the severity level is changed by Sensus, the customer will be updated.

#### A. Severity Levels Description:

**Sev1** Customer's production system is down. The system is unusable resulting in total disruption of work. No workaround is available and requires immediate attention.

Example: Network mass outage, all reading collection devices inoperable, inoperable head end software (e.g., FlexWare, Sensus MDM). Not able to generate billing files.

**Sev2** Major system feature/function failure. Operations are severely restricted; there is a major disruption of work, no acceptable work-around is available, and failure requires immediate attention.

Examples: Examples: Network equipment failure (e.g., FlexNet Echo, FlexNet Remote, Base Station transceiver, or VGB); inoperable reading devices (e.g., AR5500, VXU, VGB, or CommandLink); head end software application has important functionality not working and cannot create export file for billing system operations.

**Sev3** The system is usable and the issue doesn't affect critical overall operation.

Example: Minor network equipment failure (e.g., Echo/Remote false alarms or Base Station transceiver false alarms); head end software application operable but reports are not running properly, modification of view or some non-critical function of the software is not running.

- 4.3. The Customer Service Associate or Technical Support Engineer identifies whether or not the customer is on support. If the customer is not on support, the customer is advised of the service options as well as any applicable charges that may be billed.
- 4.4. Calls are placed in a queue from which they are accessible to Technical Support Engineers on a first-come-first-served basis. A 1st level Customer Service Associate may assist the customer, depending on the difficulty of the call and the representative's technical knowledge. Technical Support Engineers (Tier 1 support) typically respond/resolve the majority of calls based on their product knowledge and experience. A call history for the particular account is researched to note any existing pattern or if the call is a new report. This research provides the representative a basis and understanding of the account as well as any associated problems and/or resolutions that have been communicated.
  - a. Technical Services confirms that there is an issue or problem that needs further analysis to determine its cause. The following information must be collected: a detailed description of the issue's symptoms, details on the software/hardware product and version, a description of the environment in which the issue arises, and a list of any corrective action already taken.
  - b. Technical Services will check the internal database and product defect tracking system, to see if reports of a similar problem exist, and if any working solutions were provided. If an existing resolution is found that will address the reported issue, it shall be communicated to the customer. Once it is confirmed that the issue has been resolved, the ticket is closed.
  - c. If there is no known defect or support that defines the behavior, Technical Services will work with the customer to reproduce the issue. If the issue can be reproduced, either at the customer site or within support center test lab, Technical Services will escalate the ticket for further investigation / resolution.

If the issue involves units that are considered to be defective with no known reason, the representative will open a Special Investigation RMA through the Salesforce system. If it is determined that a sample is required for further analysis, the customer will be provided with instructions that detail where to send the product sample(s) for a root cause analysis. Once it is determined that the issue cannot be resolved by Tier 1 resources, the ticket will be escalated to Tier 2 support for confirmation/workarounds to resolve immediate issue. Technical Services will immediately contact the customer to advise of the escalation. The response and escalation times are listed in Section 5. At this time, screen shots, log files, configuration files, and database backups will be created and attached to the ticket.

### 5. Response and Resolution Targets.

Sensus Technical Support will make every reasonable effort to meet the following response and resolution targets:

Severity	Standard Target Response	Standard Target Resolution	Resolution (one or more of the following)
1	30 Minutes	Immediately assign trained and qualified Services Staff to correct the error on an expedited basis. Provide ongoing communication on the status of a correction (24 hours).	<ul style="list-style-type: none"> <li>Satisfactory workaround is provided.</li> <li>Program patch is provided.</li> <li>Fix incorporated into future release.</li> <li>Fix or workaround incorporated into Salesforce Knowledge Base.</li> </ul>
2	4 hours	Assign trained and qualified Services Staff to correct the error. Provide communication as updates occur (48 hours).	<ul style="list-style-type: none"> <li>Satisfactory workaround is provided.</li> <li>Program patch is provided.</li> <li>Fix incorporated into future release.</li> <li>Fix or workaround incorporated into Salesforce Knowledge Base.</li> </ul>
3	1 Business Day	30 business days	<ul style="list-style-type: none"> <li>Answer to question is provided.</li> <li>Satisfactory workaround is provided.</li> <li>Fix or workaround incorporated into Salesforce Knowledge Base.</li> <li>Fix incorporated into future release.</li> </ul>

6. **Problem Escalation Process.**

- 6.1. If the normal support process does not produce the desired results, or if the severity has changed, the issue may be escalated as follows to a higher level of authority.
  - 6.1.1.1. Severity 1 issues are escalated by Sales or Technical Services to a Supervisor if not resolved within 2 hours; to the Manager level if not resolved within 4 hours; to the Director level if not resolved within the same business day; and to the VP level if not resolved within 24 hours.
  - 6.1.1.2. A customer may escalate an issue by calling 1-800-638-3748, Option 2. Please specify the Salesforce ticket number and the reason why the issue is being escalated.
  - 6.1.1.3. In the event that a customer is not satisfied with the level of support or continual problem with their products, they may escalate a given Salesforce ticket to Manager of Technical Services (1-800-638-3748, Option 2).

7. **General Support Provisions and Exclusions.**

- 7.1. Sensus provides online documentation for Sensus products, and all Sensus customers are provided access to this online database, which includes operation, configuration and technical manuals. The customer shall provide names and email accounts to Sensus so Sensus may provide access to the product documentation.
- 7.2. Specialized support from Sensus is available on a fee basis to address support issues outside the scope of this support plan or if not covered under another specific contract or statement of work. For example: specialized systems integration services or out of warranty network equipment repair.

**Exhibit A-3**

**Statement of Work  
Sale through Value Added Reseller (VAR)**

**General Responsibilities:**

**Core & Main will:**

1. Provide a project manager to coordinate all FlexNet installation activities with the Client and be the main contact point between the Client and Sensus during the infrastructure and SmartPoint Module deployment phase. The project manager will coordinate training activities and all installation activities with Sensus field engineers and contract installation crews hired by Client.
2. Provide Client a Sensus certified propagation study that determines the locations best suited for installation of the BASESTATION's and to ensure proper communications with end point transmitters and the Regional Network Interface (RNI).
3. Work with Sensus to commission the RNI hardware and software remotely.
4. Work with Sensus to obtain final network acceptance and approval to install endpoint devices
5. Schedule training familiarization / operators training for head end software to Client identified personnel at the Client's location.
6. Hire a qualified installation contractor to install the antennae and cable that runs between the basestation and the antenna.

**Client will:**

1. Provide a key point of contact, contact information, for project management activities to work with the Core & Main project manager to help facilitate a timely installation of the FlexNet system.
2. Hire a qualified installation contractor to install the BASESTATION equipment and run all data and power cables between the power supply and the BASESTATION.
3. Perform all site preparation work for the RNI and BASESTATIONS.
4. Be responsible to provide the network infrastructure in the Power and RNI Location areas in Diagram 1, including network cabling and power identified in blue in Diagram 1.
5. Be responsible for monthly and annual fees associated with the network access for all sites where network access is needed.
6. Be responsible to provide communications link between the Regional Network Interface (RNI) and BASESTATION.
7. Purchase any routers, hubs, mounting equipment, uninterruptible power supply and/or security equipment needed to connect the RNI to the Client's internal network.
8. Be responsible for the installation of Meters, SmartPoint Modules, Load Control, Home Area Network, and Automation Devices.

**RNI Responsibilities:**

The RNI will be a SAAS model that will be stored at one of Sensus secure data sites. If Owned Model is available Client will be required to purchase the servers through Sensus and provide adequate power and room to house the servers.

**Core & Main will:**

1. Supply the RNI hardware and data management software necessary to operate on the RNI hardware.
2. Work with Sensus to obtain final configuration of all software and RNI hardware for operation with the FlexNet network.

3. Work with Sensus to Test, and verify proper network connectivity to access the BASESTATION.

**Client will:**

1. Purchase all needed FlexNet (RNI) computer equipment.
2. Be responsible for fees associated with acquiring and maintaining the static IP addresses needed to access network equipment located at the BASESTATION site.
3. Provide the necessary static IP addresses for the FlexNet system components.
4. Be responsible to secure a suitable contractor to connect the data management software to the billing system to allow for data to be imported for billing purposes.
5. Provide remote network access to the FlexNet BASESTATION network to Sensus. This provides Sensus Technical Services personnel the ability to perform ongoing system support and troubleshooting.

**Infrastructure Site Responsibilities**

**BASESTATION:**

**Core & Main will:**

1. Instruct Client concerning infrastructure site preparation work, and verify work is done correctly.
2. Coordinate the installation and commissioning of FlexNet Infrastructure for proper operation.
3. Hire a competent contractor to install the antenna and related components.
4. Provide the necessary antennas, mounts, cable and other antenna components for the BASESTATIONS.
5. Not be held responsible for damage to any interior/exterior coatings on water tanks that result from welding of antenna mounts to tanks. Parties will agree to a scope of work prior to installation.

**Client will:**

1. Purchase the required number of BASESTATIONS.
2. Be responsible to provide an area at the BASESTATION site for installation if the BASESTATION is installed at a Client provided site.
3. Be responsible to provide a 120 VAC power source to the BASESTATION. All necessary electric requirements which will include 120 VAC Non GFI receptacles to be at the final location of the BASESTATION installation. If trenching of the power line is needed, the Client will be responsible to provide the necessary trenching, conduit, and cabling needed to supply power from the power source outlet to the base station cabinet. All electrical equipment will be installed in accordance with local codes.
4. Hire a certified electrician to connect all power to the BASESTATION.
5. Be responsible to provide network access at the site where the BASESTATION is located. Client should consult with Core & Main about the available options for network connections between BASESTATION and RNI.
6. Be responsible to provide any conduit and/or trenching required to provide cabling requirements from the tower site to the BASESTATION installation.
7. Be responsible to provide CAT 5 UV and weather resistant network cable from the network service provider access link to the cabinet.
8. Be responsible to provide any conduit or trenching needed to run the data cable to the BASESTATION. Client is responsible to assure that data cable is located to final location of the BASESTATION.
9. Be responsible to provide security at BASESTATION location.

10. Be responsible to provide sufficient foundation to secure the outdoor cabinet should an outdoor cabinet be required to house the BASESTATION. This foundation will consist of a concrete pad or steel structure that is designed to hold 600 lbs per square inch.
11. Be responsible to provide 240 VAC of power to the BASESTATION unit should an outdoor cabinet be required. Receptacles to be located within 1 foot of the final location of the BASESTATION installation. If trenching of the power line is needed, the Client will be responsible to provide the necessary trenching, conduit, and cabling needed to supply power from the power source outlet to the base station cabinet. All electrical equipment will be installed in accordance with local codes. 1
12. Be responsible for installing grounding material at the location of the BASESTATION installation. At a minimum, the material should consist of # 4 or #2 stranded copper wire which will connect to the BASESTATION.
13. Be responsible for proper ground field at the BASESTATION site.
14. Be responsible for getting access/permission to any structure that is not owned by the Client.
15. Prepare the site for the BASESTATION by completing the below tasks:
  - a. Site must have a network connection available for the BASESTATION to communicate with RNI. The Ethernet connector on the BASESTATION unit is an RJ-45 type, 10/100 auto signaling rate. Minimum WAN bandwidth requirements are 128 kbps with a redundant path. Any network equipment to interface the BASESTATION such as Juniper router / firewall, switches, etc. will be Client provided.
  - b. Client will supply connectivity information to Sensus (IP address, default gateway, sub-net mask, etc.)
  - c. Provide suitable antenna mounting structure such as a tower, mono-pole, or building that is capable of supporting the weight of the antenna, cable, mounting hardware and wind loading.
  - d. Indoor site should have adequate room for the rack facilitating opening of both front and rear doors, and an available 120V grounded outlet within 10 feet.
  - e. Outdoor site installation single phase 240 VAC 30 amp circuit from Meter bank to disconnect panel on BASESTATION
  - f. Outdoor site shall have installation of BASESTATION concrete support pad or suitable steel support structure with a minimum loading capacity of 600lb. Sq.ft.
  - g. Indoor site should have adequate environmental control/ventilation. Recommended environmental ranges are shown in Appendix A of the Tower Gateway Base Station Installation Manual. Although the unit is capable of operation in extreme temperatures, maintaining a moderate and constant temperature environment will promote trouble-free service and long life.
  - h. Site must have all RF, and power connections properly surge arrested to prevent damage in the event of a major lightning strike. A Halo type building ground installation with a tie available to connect to the rack ground bar is recommended

### **Echo Transceiver / Remote Transceiver Responsibilities**

#### **Core & Main will:**

1. Provide mounting brackets for installation.
2. Identify the optimum location to install the Echo Transceiver/Remote Transceiver and communicate those locations to Customer.
3. Echo Transceiver/Remote Transceiver locations will be identified only after sufficient FlexNet Base Stations and endpoints have been installed and it is apparent that additional infrastructure in the form of Echo Transceivers/Remote Transceivers is required to optimize system performance.
4. Install the Echo Transceiver/Remote Transceiver units and ancillary equipment necessary to a structure.

#### **Customer will:**

1. Provide a 120 VAC power source and cable run, in compliance with local code, to the point where each Echo Transceiver/Remote Transceiver will be installed to supply all necessary power requirements. These boxes can be installed on top of poles, buildings, etc. For such cable runs, 18 AWG UV and weather resistant power cable for runs less than 470 ft. and 16 AWG for runs less than 750 ft. are needed.

3. Initiate, coordinate and acquire authorization for installation crews to climb poles, buildings and other structures necessary to safely affix cable runs as needed for the installation of the Echo Transceivers/Remote Transceivers.
4. Provide adequate electricity to the Echo Transceiver/Remote Transceiver locations and be responsible for any and all recurring electricity charges for Echo Transceiver/Remote Transceiver operations.
5. Be responsible for on-going maintenance and support of the equipment after installation.

### **SmartPoint Module Installation Responsibilities**

#### **Core & Main will:**

1. Install or hire a qualified installation contractor to install all Endpoints to be used in the AMI System.
2. Be responsible for quality assurance for their personnel and/or an installation contractor as it relates to proper installation of Endpoints.
3. Visit and troubleshoot Endpoints that are not reporting into the system. Investigate any non-reporting Endpoints to ensure that there are no cut wires, improper installations, improper programming and resolve all data entry errors in the system.
4. Assign an internal and/or installation contractor auditor to ensure installation work is correct. Core & Main will engage Sensus to train this individual to properly identify and correct any known problems in the field. This individual will be the primary contact to troubleshoot, identify and correct non reporting Endpoints and installation errors.
5. Once the installer has completed troubleshooting of installation issues, Core & Main will engage Sensus to investigate the remaining Endpoints to identify and fix any coverage issues.
6. Coordinate with Sensus to establish the Endpoints installation schedule, shipment quantities, and overall project timeline.

#### **Client will:**

1. Purchase Endpoints. "Endpoint", in this Exhibit only, means a Sensus meter or a Sensus SmartPoint Module installed on a third party meter.

### **Miscellaneous Responsibilities**

#### **Client will:**

1. Be responsible for the payment of any taxes, renewal, regulatory or license fees associated with the network hardware and software.
2. Be responsible for applying for and purchasing any needed work permits.

## Appendix B

### WARRANTY

The warranties on Work shall be as follows:

1. Project Materials and Supplies.

(a) General. Meters and equipment that Client purchases from Core & Main are warranted by the manufacturer to be free from Manufacturers' Defects for the period specified in the manufacturer's warranty. A copy of the present warranty of each manufacturer that will supply meters and equipment as part of the Project is attached hereto as Exhibit BD-1. The term of such manufacturer's warranty shall be as set forth in such attached warranty (as the same may be changed from time to time during the course of the performance of the Agreement, but with changes to apply only to purchases of meters and equipment occurring after the change becomes effective), but generally the start date for meter and equipment warranties is the date of the manufacturer's shipment of such meters and equipment ("Manufacturer's Warranty Period"). PROJECT MATERIALS AND SUPPLIES OTHER THAN METERS AND EQUIPMENT ARE NOT WARRANTED. CORE & MAIN DOES NOT PROVIDE ANY SEPARATE WARRANTY FOR PROJECT MATERIALS AND SUPPLIES.

(b) Core & Main's Responsibility. Upon any breach of the manufacturer's warranty on a meter or equipment noticed to Core & Main during the applicable Manufacturer's Warranty Period, Core & Main's sole responsibility shall be to cooperate with Client in arranging for the manufacturer to repair or replace any defective meter or equipment.

2. Installation Work and Services.

(a) General. Core & Main warrants that all installation Work provided by Core & Main shall be performed by Core & Main in a workmanlike manner and in compliance with any specifications set forth in this Agreement, with such warranty to expire one year from the date when such installation Work was performed (the "Warranty Period").

(b) Exclusive Remedy. Upon any breach of Core & Main's warranty as to installation Work during the applicable Warranty Period, Core & Main's sole responsibility shall be to perform any corrective installation Work necessary to bring Core & Main's installation Work into compliance with such requirements.

3. DISCLAIMER OF FURTHER WARRANTIES. EXCEPT FOR THE FOREGOING EXPRESS WARRANTY, CORE & MAIN DISCLAIMS ALL EXPRESS AND IMPLIED WARRANTIES INCLUDING ALL IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE. IN NO EVENT, WHETHER ARISING OUT OF WARRANTY, INDEMNITY, TORT, CONTRACT OR OTHERWISE, SHALL CORE & MAIN BE LIABLE FOR ANY INDIRECT, INCIDENTAL, SPECIAL, EXEMPLARY OR CONSEQUENTIAL DAMAGES OF ANY KIND. IN NO EVENT WILL THE LIABILITY OF CORE & MAIN UNDER THIS AGREEMENT EXCEED THE AMOUNTS PAID TO CORE & MAIN BY CLIENT HEREUNDER.

**Exhibit B-1**

**Manufacturers' Warranties**

Attached to this Exhibit B-1 are the manufacturers' warranties for each of the manufacturers providing materials to the Project.

# Sensus Limited Warranty

1. **General Product Coverage.** Unless otherwise provided herein, Sensus USA Inc. ("Sensus") warrants its products and parts to be free from defects in material and workmanship for one (1) year from the date of Sensus shipment and as set forth below. All products are sold to customer ("Customer") pursuant to Sensus' Terms of Sale, available at: [sensus.com/TC](http://sensus.com/TC) ("Terms of Sale").

2. **SR II® and accuSTREAM™ 5/8", 3/4" & 1" Meters** are warranted to perform to new meter accuracy level set forth in the SR II and accuSTREAM Data Sheets available at [sensus.com](http://sensus.com) for five (5) years from the date of Sensus shipment or until the registration shown below, whichever occurs first. Sensus further warrants that the SR II and accuSTREAM meters will perform to at least AWWA Repaired Meter Accuracy Standards for fifteen (15) years from the date of Sensus shipment or until the registration shown below, whichever occurs first:

	New Meter Accuracy	Repair Meter Accuracy
5/8" SR II Meter and accuSTREAM Meter	500,000 gallons	1,500,000 gallons
3/4" SR II Meter and accuSTREAM Meter	750,000 gallons	2,250,000 gallons
1" SR II Meter and accuSTREAM Meter	1,000,000 gallons	3,000,000 gallons

3. **SR II maincases** are warranted to be free from defects in material and workmanship for twenty-five (25) years from the date of Sensus shipment. accuSTREAM maincases will be free from defects in material and workmanship for fifteen (15) years from the date of Sensus shipment.

4. **ally® Meters** that register water flow are warranted to perform to the accuracy level set forth in the ally data sheet available at [sensus.com](http://sensus.com) for fifteen (15) years from the Date of Installation, but no longer than sixteen (16) years from date of manufacture, not including the meter's sensors, valve, and gear motor, which are warranted under different terms described below. As used herein, "Date of Installation" means the date after which the ally Meter has been out of empty pipe for seven (7) consecutive days, as those days are measured by the ally Meter and stored in the meter's nonvolatile memory.

5. **iPERL® Meters** that register water flow are warranted to perform to the accuracy levels set forth in the iPERL data sheet available at [sensus.com](http://sensus.com) for twenty (20) years from the date of Sensus shipment. The iPERL System Component warranty does not include the external housing.

6. **Sensus OMNI™, OMNI+ Meters and Propeller Meters** are warranted to perform to as set forth in OMNI and Propeller data sheets for eighteen (18) months from the date of Sensus shipment.

7. **Sensus Cordone! Meters** are warranted to perform to the accuracy levels as set forth in the Cordone! data sheet available at [sensus.com](http://sensus.com) for twenty (20) years from the date of Sensus shipment. The Cordone! System Component warranty does not include the external housing.

8. **Sensus Cordone! maincases** are warranted to maintain their structural integrity for a period of twenty (20) years from the date of Sensus shipment.

9. **Sensus accuMAG™ and Hydroverse™ Meters** are warranted to be free from defects in material and workmanship, under normal use and service, for 18 months from the date of Sensus shipment or 12 months from startup, whichever occurs first.

10. **Sensus Registers** are warranted to be free from defects in material and workmanship from the date of Sensus shipment for the periods stated below or until the applicable registration for AWWA Repaired Meter Accuracy Standards, as set forth above, are surpassed, whichever occurs first:

5/8" thru 2" SR II, accuSTREAM Standard Registers	25 years
5/8" thru 2" SR II, accuSTREAM Encoder Registers	10 years
All HSPU, IMP Contactor, R.E.R. Elec. ROFI	1 year
Standard and Encoder Registers for Propeller Meters	1 year
OMNI and OMNI+ Registers with Battery	10 years

11. **Sensus Electric and Gas Meters** are warranted pursuant to the General Limited Warranty available at [sensus.com/TC](http://sensus.com/TC).

12. **Batteries, iPERL System Components, AMR and FlexNet® Communication Network AMI Interface Devices** are warranted to be free from defects in material and workmanship from the date of Sensus shipment for the period stated below:

Electronic TouchPad	10 years
Act-Pak® Remote Monitoring Instruments	1 year
Gas SmartPoint® Modules and Batteries	20 years <sup>1</sup>
7500 series Hand-Held Device	2 years
Vehicle Gateway Base Station (VGB) and other AMR Equipment	1 year
EasyLink Reader	1 Year
CPTP100	20 Years <sup>2</sup>
FlexNet Base Station (including the R100NA and M400 products)	1 year
RM4160	1 Year
iPERL System Battery and iPERL System Components	20 years <sup>3</sup>
Sensus® Electronic Register+™	20 years <sup>4</sup>
Sensus® Smart Gateway Sensor Interface	1 year <sup>5</sup>
SmartPoint® 510M/520M/515M/512M Modules and Batteries	20 year <sup>2</sup>

<sup>1</sup> Sensus will repair or replace non-performing Gas SmartPoint Modules (configured to the factory setting of six transmissions per day under normal system operation of up to one demand read to each SmartPoint Module per month and up to five firmware downloads during the life of the product) and batteries.

<sup>2</sup> Sensus will repair or replace non-performing CPTP100 modules (configured at factory setting of four transmissions per day under normal system operations of up to one demand read per month and up to five firmware downloads during the life of the product) and batteries.

<sup>3</sup> Sensus will repair or replace non-performing:

- iPERL System Batteries, and/or the iPERL System flowtube, the flow sensing and data processing assemblies, and the register ("iPERL System Components") with hourly reads manufactured after April 2018
- Cordone! System Batteries, the flow sensing and data processing assemblies, and the register ("Cordone! System Components")
- SmartPoint 510M/520M/515M/512M-PLS/522M Modules manufactured after April 2018 (configured to the factory setting of six transmissions per day under normal system operation of up to one demand read to each SmartPoint Module per month and up to five firmware downloads during the life of the product) and batteries, unless the SmartPoint 510M/520M/522M Module is ever paired with an ally Meter, which immediately amends the warranty terms to those described in Section 13

at no cost for the first fifteen (15) years from the date of Sensus shipment, and for the remaining five (5) years at a prorated percentage, applied towards the published list price in effect for the year the product is accepted by Sensus under the warranty conditions according to the following schedule.

Years	Replacement Price	Years	Replacement Price
1 – 15	0%	19	60%
16	30%	20	70%
17	40%	>20	100%
18	50%		

<sup>4</sup> Sensus will repair or replace non-performing Sensus Electronic Register+ with hourly reads for the first ten (10) years from the date of Sensus shipment, and for the remaining ten (10) years, at a prorated percentage, applied towards the published list prices in effect for the year product is accepted by Sensus under warranty conditions according to the following schedule:

Years	Replacement Price	Years	Replacement Price
1 – 10	0%	16	55%
11	30%	17	60%
12	35%	18	65%
13	40%	19	70%
14	45%	20	75%
15	50%	>20	100%

<sup>5</sup> Sensus® Smart Gateway Sensor Interface warranty valid only for analog Meter Sample Rates of four times per hour with a Standard Transmit Rate of hourly or greater for the analog channel(s).

# Sensus Limited Warranty

13. **ally® Meter Batteries and Components, Including SmartPoint 510M/520M Modules** are warranted to be free from defects in material and workmanship from the Date of Installation, as defined in Section 4, for the period stated below:

Batteries	15 years <sup>6</sup>
Sensors	5 years
Valve & Gear Motor	5 years <sup>7</sup>
SmartPoint 510M/520M Modules and Batteries in service w/ally	15 years <sup>6</sup>

14. **Cordonel Meter Batteries and Components** are warranted to be free from defects in material and workmanship from the Date of Installation, as defined in Section 7, for the period stated below:

Batteries	20 years <sup>3</sup>
Sensors	5 years
SmartPoint 510M/520M Modules and Batteries in service w/Cordonel models with pressure	15 years <sup>6</sup>

15. **IPERL and ally Connectors and Cables** are warranted to be free from defects in material and workmanship, under normal use and service, for ten (10) years from the date of Sensus shipment. Nicor or Itron connectors included with a Sensus product are warranted according to the terms for Third-Party Devices in Section 16.

16. **Third-Party Devices** are warranted to be free from defects in materials and workmanship, under normal use and service, for one (1) year from the date of Sensus shipment. As used in this Sensus Limited Warranty, "Third Party Devices" means any product, device, or component part used with a Sensus product that is manufactured or sold by any party that is not Sensus. Failure of a Third-Party Device which subsequently causes failure to a Sensus device shall be the responsibility of the manufacturer of the Third-Party Device.

17. **Software.** Software supplied and/or licensed by Sensus is supported according to the terms of the applicable software license or usage agreement. Sensus warrants that any network and monitoring services shall be performed in a professional and workmanlike manner.

18. **Return.** Sensus' obligation, and Customer's exclusive remedy, under this Sensus Limited Warranty is, at Sensus' option, to either (i) repair or replace the product, provided the Customer (a) returns the product to the location designated by Sensus within the warranty period; and (b) prepays the freight costs both to and from such location; or (ii) deliver replacement components to the Customer, provided the Customer installs, at its cost, such components in or on the product (as instructed by Sensus), provided, that if Sensus requests, the Customer (a) returns the product to the location designated by Sensus within the warranty period; and (b) prepays the freight costs both to and from such location. In all cases, if Customer does not return the product within the time period designated by Sensus, Sensus will invoice, and Customer will pay within thirty days of the invoice date, for the cost of the replacement product and/or components.

The return of products for warranty claims must follow Sensus' Returned Materials Authorization (RMA) procedures. Water meter returns must include documentation of the Customer's test results. Test results must be obtained according to AWWA standards and must specify the meter serial number. The test results will not be valid if the meter is found to contain foreign materials. If Customer chooses not to test a Sensus water meter prior to returning it to Sensus, Sensus will repair or replace the meter, at Sensus' option, after the meter has been tested by Sensus. The Customer will be charged Sensus' then current testing fee. All products must be returned in accordance with the RMA process. For all returns, Sensus reserves the right to request meter reading records by serial number to validate warranty claims.

For products that have become discontinued or obsolete ("**Obsolete Product**"), Sensus may, at its discretion, replace such Obsolete Product with a different product model ("**New Product**"), provided that the New Product has substantially similar features as the Obsolete Product. The New Product shall be warranted as set forth in this Sensus Limited Warranty.

THIS SECTION 18 SETS FORTH CUSTOMER'S SOLE REMEDY FOR THE FAILURE OF THE PRODUCTS, SERVICES OR LICENSED SOFTWARE TO CONFORM TO THEIR RESPECTIVE WARRANTIES.

19. **Warranty Exceptions and No Implied Warranties.** This Sensus Limited Warranty does not include costs for removal or installation of products, or costs for replacement labor or materials, which are the responsibility of the Customer. The warranties in this Sensus Limited Warranty do not apply to and Sensus has no liability for goods that have been: installed improperly or in non-recommended installations; installed to a socket that is not functional, or is not in safe operating condition, or is damaged, or is in need of repair; tampered with; modified or repaired with parts or assemblies not certified in writing by Sensus, including without limitation, communication parts and assemblies; improperly modified or repaired (including as a result of modifications required by Sensus); converted; altered; damaged; read by equipment not approved by Sensus; for water meters, used with substances other than water, used with non-potable water, or used with water that contains dirt, debris, deposits, or other impurities; subjected to misuse, improper storage, improper care, improper maintenance, or improper periodic testing (collectively, "**Exceptions**"). If Sensus identifies any Exceptions during examination, troubleshooting or performing any type of support on behalf of Customer, then Customer shall pay for and/or reimburse Sensus for all expenses incurred by Sensus in examining, troubleshooting, performing support activities, repairing, or replacing any Equipment that satisfies any of the Exceptions defined above. The above warranties do not apply in the event of Force Majeure, as defined in the Terms of Sale.

**THE WARRANTIES SET FORTH IN THIS SENSUS LIMITED WARRANTY ARE THE ONLY WARRANTIES GIVEN WITH RESPECT TO THE GOODS, SOFTWARE, SOFTWARE LICENSES AND SERVICES SOLD OR OTHERWISE PROVIDED BY SENSUS. SENSUS EXPRESSLY DISCLAIMS ANY AND ALL OTHER REPRESENTATIONS, WARRANTIES, CONDITIONS, EXPRESSED, IMPLIED, STATUTORY OR OTHERWISE, REGARDING ANY MATTER IN CONNECTION WITH THIS SENSUS LIMITED WARRANTY OR WITH THE TERMS OF SALE, INCLUDING WITHOUT LIMITATION, WARRANTIES AS TO FITNESS FOR A PARTICULAR PURPOSE, MERCHANTABILITY, NON-INFRINGEMENT AND TITLE.**

**SENSUS ASSUMES NO LIABILITY FOR COSTS OR EXPENSES ASSOCIATED WITH LOST REVENUE OR WITH THE REMOVAL OR INSTALLATION OF EQUIPMENT. THE FOREGOING REMEDIES ARE CUSTOMER'S SOLE AND EXCLUSIVE REMEDIES FOR THE FAILURE OF EQUIPMENT, LICENSED SOFTWARE OR SOFTWARE SERVICES, AND OTHER SERVICES TO CONFORM TO THEIR RESPECTIVE WARRANTIES.**

20. **Limitation of Liability.** SENSUS' AGGREGATE LIABILITY IN ANY AND ALL CAUSES OF ACTION ARISING UNDER, OUT OF OR IN RELATION TO THIS AGREEMENT, ITS NEGOTIATION, PERFORMANCE, BREACH OR TERMINATION (COLLECTIVELY "**CAUSES OF ACTION**") SHALL NOT EXCEED THE TOTAL AMOUNT PAID BY CUSTOMER TO SENSUS UNDER THIS AGREEMENT. THIS IS SO WHETHER THE CAUSES OF ACTION ARE IN TORT, INCLUDING, WITHOUT LIMITATION, NEGLIGENCE OR STRICT LIABILITY, IN CONTRACT, UNDER STATUTE OR OTHERWISE.

AS A SEPARATE AND INDEPENDENT LIMITATION ON LIABILITY, SENSUS' LIABILITY SHALL BE LIMITED TO DIRECT DAMAGES. SENSUS SHALL NOT BE LIABLE FOR: (I) ANY INDIRECT, INCIDENTAL, SPECIAL OR CONSEQUENTIAL DAMAGES; NOR (II) ANY REVENUE OR PROFITS LOST BY CUSTOMER OR ITS AFFILIATES FROM ANY END USER(S), IRRESPECTIVE OF WHETHER SUCH LOST REVENUE OR PROFITS IS CATEGORIZED AS DIRECT DAMAGES OR OTHERWISE; NOR (III) ANY IN/OUT COSTS; NOR (IV) MANUAL METER READ COSTS AND EXPENSES; NOR (V) DAMAGES ARISING FROM MAINCASE OR BOTTOM PLATE BREAKAGE CAUSED BY FREEZING TEMPERATURES, WATER HAMMER CONDITIONS, OR EXCESSIVE WATER PRESSURE. "**IN/OUT COSTS**" MEANS ANY COSTS AND EXPENSES INCURRED BY CUSTOMER IN TRANSPORTING GOODS BETWEEN ITS WAREHOUSE AND ITS END USER'S PREMISES AND ANY COSTS AND EXPENSES INCURRED BY CUSTOMER IN INSTALLING, UNINSTALLING AND REMOVING GOODS. "**END USER**" MEANS ANY END USER OF ELECTRICITY/WATER/GAS THAT PAYS CUSTOMER FOR THE CONSUMPTION OF ELECTRICITY/WATER/GAS, AS APPLICABLE.

The limitations on liability set forth in this Agreement are fundamental inducements to Sensus entering into this Agreement. They apply unconditionally and in all respects. They are to be interpreted broadly so as to give Sensus the maximum protection permitted under law.

<sup>6</sup> If applicable, any SmartPoint 510M/520M Modules ever paired with an ally meter or Cordonel with pressure meter are warranted with the following limitations:

- When configured to the default installation setting of six transmissions of metrology and pressure per day and one update of temperature per day, the SmartPoint module is warranted to perform up to five (5) firmware upgrades for the SmartPoint module and up to five (5) firmware upgrades for the ally meter or Cordonel (with pressure) meter;
- 2500 Operational Commands, where "**Operational Commands**" include on demand reads (such as consumption, pressure, temperature), an ally meter valve command, or a configuration command; and
- 15 Diagnostic Commands, which includes two-way communications tests and installations

for the first ten (10) years from Date of Installation at no cost. For the remaining five (5) years, Customer will pay the reduced Replacement Price of the then-current list price in effect at the time the product is accepted for return in accordance with the following schedule:

Years	Replacement Price	Years	Replacement Price
1 - 10	0%	14	65%
11	35%	15	75%
12	45%	>15	100%
13	55%		

<sup>7</sup> Notwithstanding the foregoing, valve and gear motor components of ally meters are not warranted beyond two thousand (2000) Valve State Operations, even if the warranty period provided herein has not yet expired. As used herein, "**Valve State Operations**" means adjustments of the Meter to open, close, or reduce flow.



# Village of Somers AMI Metering Presentation August 1st, 2023

Water One

# Agenda

1. Company Overviews
2. Metering Options
3. Network
4. Advanced Monitoring Solutions
5. Security
6. Software
7. Questions and Answers

# Presenters

## ■ **Tim West**

- Core and Main
- Municipal Sales Mgr.
- [Tim.West@coreandmain.com](mailto:Tim.West@coreandmain.com)
- 262.844.2925

## ■ **Andy Santi**

- Core and Main
- District Mgr.
- [Andy.Santi@coreandmain.com](mailto:Andy.Santi@coreandmain.com)
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## ■ **Jeff Stelter**

- Core and Main
- Senior Meter Specialist
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## ■ **Todd Bredesen**

- Core & Main
- Regional Sales Manager
- [Todd.Bredesen@coreandmain.com](mailto:Todd.Bredesen@coreandmain.com)
- 612.597.8519

## ■ **Bert McNeil**

- Core & Main
- Branch Mgr.
- [Bert.McNeil@coreandmain.com](mailto:Bert.McNeil@coreandmain.com)
- 262.271.1665

# Fast Facts

Performance:

**\$5.1 billion in annual revenue**

Locations:

**300+ branches**

Employees:

**3,100+**

Headquarters:

**St. Louis, Missouri**

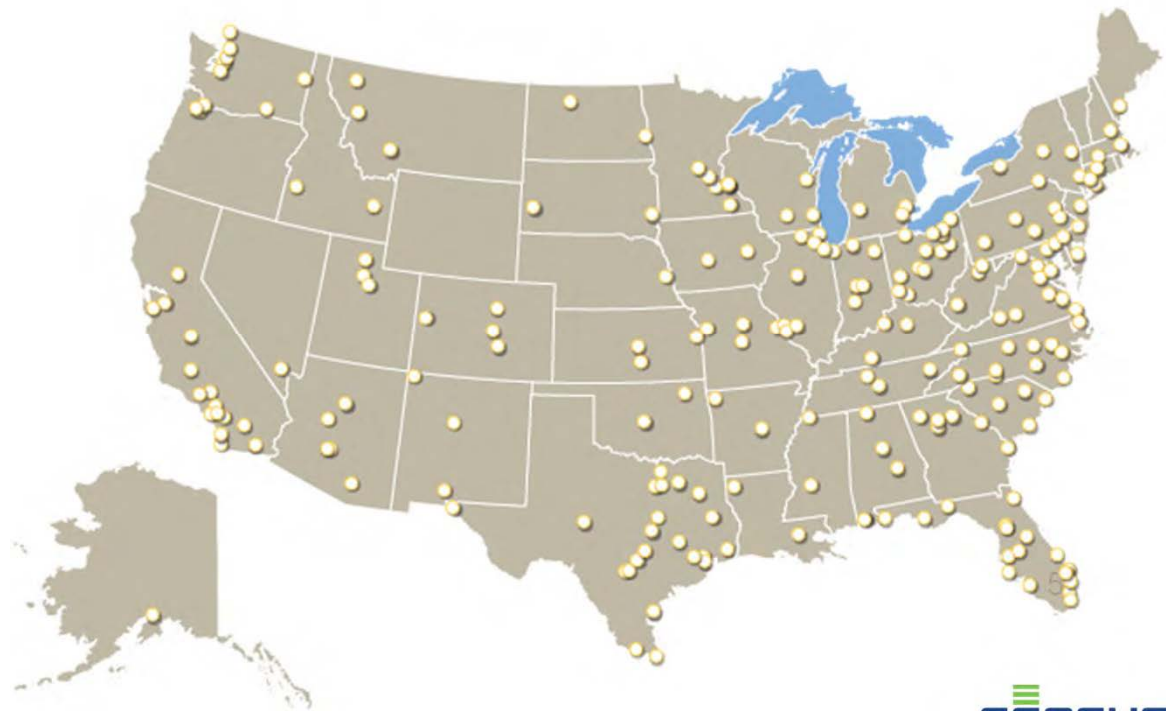
History:

**70+ years in business**

**#1 U.S. Waterworks distributor**

U.S. waterworks market size:

**~\$18 billion**



# Sensus by the Numbers



**179**  
Years serving  
utilities



**14K**  
Customers



**2,600**  
Colleagues



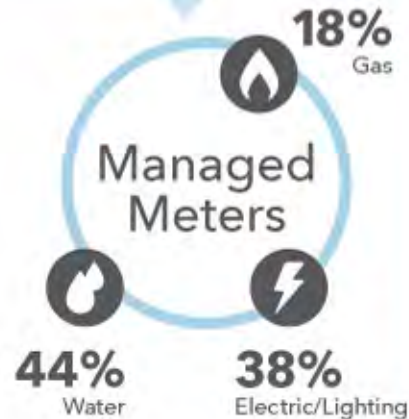
**48M**  
SmartPoints  
875M Messages/day



**92M**  
Meters

**1 3 0**

SaaS + NaaS  
Customers

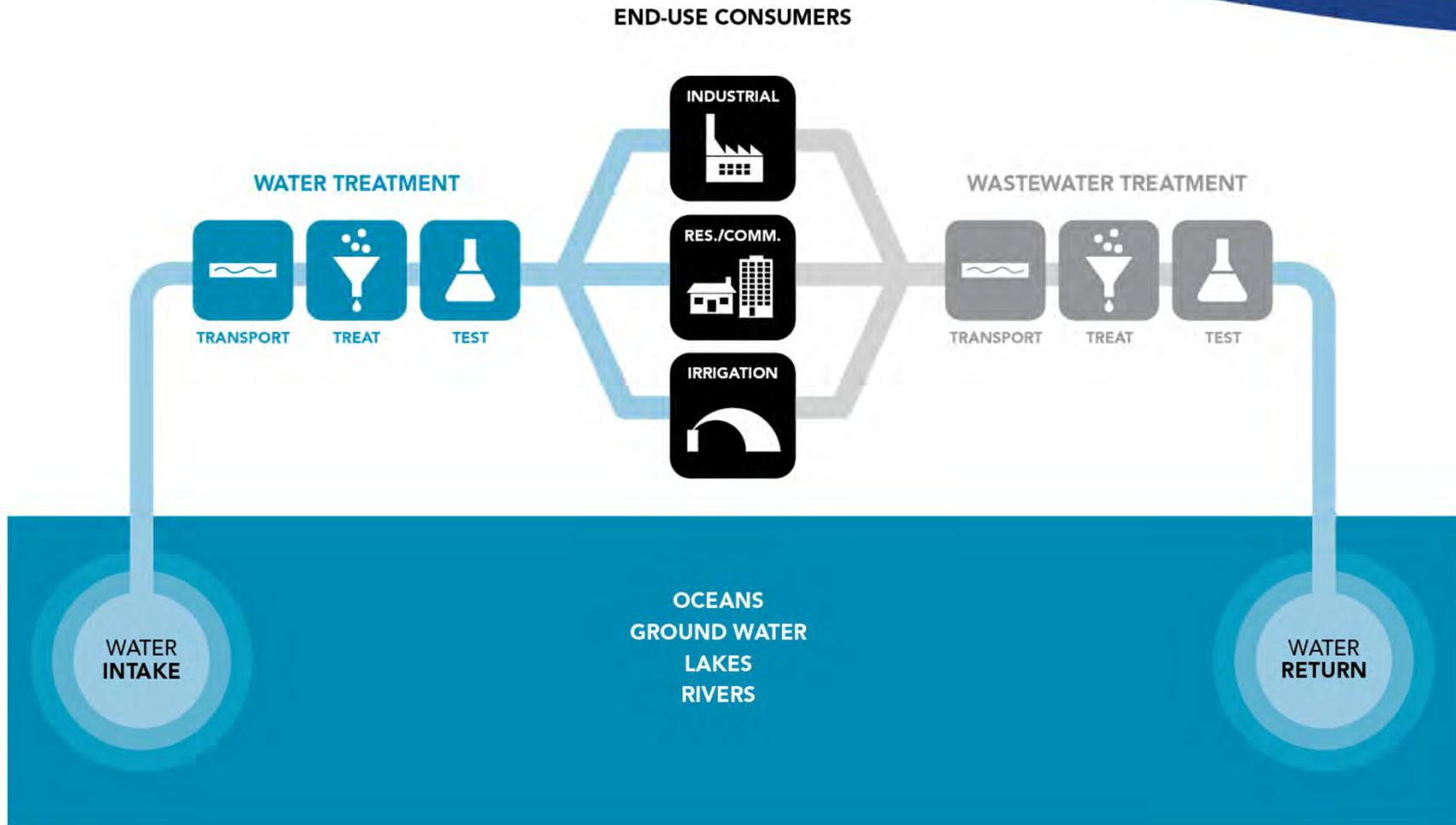


**741**  
Patents  
Granted



**293**  
Patents  
Pending

# We Span the Entire Cycle of Water



# Metering Options

## Solid state magnetic measurement

- 20 year accuracy guarantee
- Low flow measurement
- No moving parts
- Low pressure drop
- Not temperature, vibration, or noise sensitive

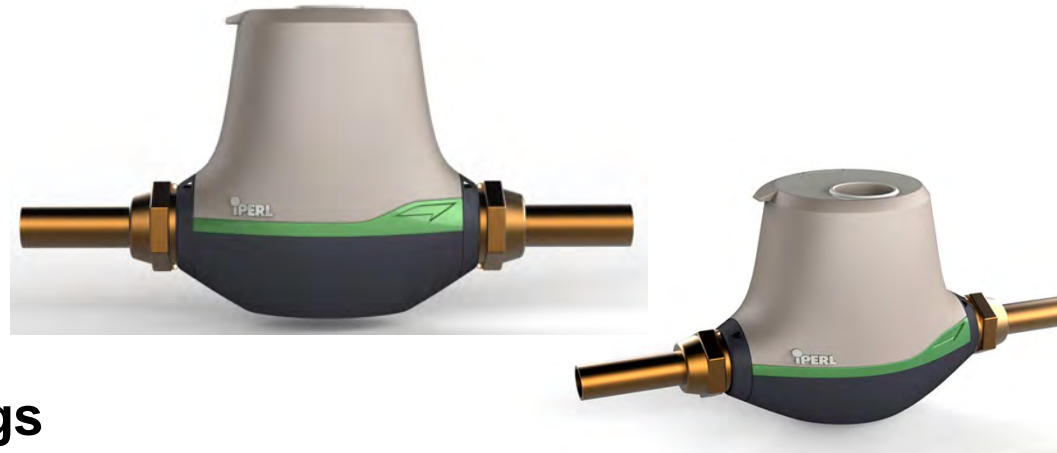
## Smart alarms

- Reverse flow
- Customer leak
- Magnetic tamper
- Empty pipe
- Battery alarms

**40+ days of hourly data logs**

**8 million units in North America**

**(15/5) 20-year warranty**



## Alarm Descriptions and Resolutions

Alert	Description	Action to Resolve the Alert	Level	Generated By	Transmitted By
<b>Back Flow</b>	The meter has detected water flowing in the reverse direction. The threshold count is set based on pulse count. The alarm can be disabled by setting the threshold to 0.	The backflow may resolve itself after a period of time; an on-site visit is recommended to investigate the reason for the alarm. Alarm will expire after 35 days, to reset before 35 days an on-site visit is required.	Alarm	Endpoint	Weekly alarm message
<b>Broken Pipe</b>	The meter has detected a large and continuous volume of water. This occurs if the consumption between consecutive reads exceeds the broken pipe threshold.	On-site visit is required to investigate the reason for the alarm. Alarm will expire after 35 days, to reset before 35 days an on-site visit is required.	Alarm	Endpoint	Weekly alarm message
<b>History Overflow</b>	The last reading included a number too large for the meter's compressed history. If the history scale is set too high the reading deltas will be too large to fit into one message which will cause the history overflow flag to be set.	This alarm is not persistent. Each time a reading comes in the history overflow will be checked and set if an overflow is detected. The history scale can be adjusted to alleviate these alarms.	Alarm	Endpoint	Supervisory message (header)
<b>Leak Detection</b>	The meter has detected a continuous and excessive flow of water between two consecutive reads.	On-site visit is required to investigate the reason for the alarm. Alarm will expire after 35 days, to reset before 35 days an on-site visit is required.	Alarm	Endpoint	Weekly alarm message
<b>Low Battery Detected</b>	The battery voltage has dropped below the alarm threshold, currently set at 3.3V.	The alarm will clear if the battery's voltage goes above the threshold; no further action is required. If the low battery flag is continually detected this is an indicator that the unit needs to be replaced.	Alarm	Endpoint	Supervisory message (header)

# ally Remote Shutoff Meter

## Water Usage Metrology

- Magnetic Flow Measurement With Remnant Magnet Technology
- Alarm indication (Leaks, Tampering, Reverse Flow, Empty Pipe, Low Battery)
- Standard Lay Lengths

## Water Distribution Intelligence Sensors

- Pressure Sensor +/- ~2 psig, hourly reads (programmable)
- Temperature Sensor +/- ~2 deg F, hourly reads (programmable)

## Water Usage Control

- Three State Valve (Open, Closed, Reduced)
- Remote Operated

## Customer Service

- On Demand Reads
- 120 days of Hourly Data Logging
- Two Way Communications to the Meter



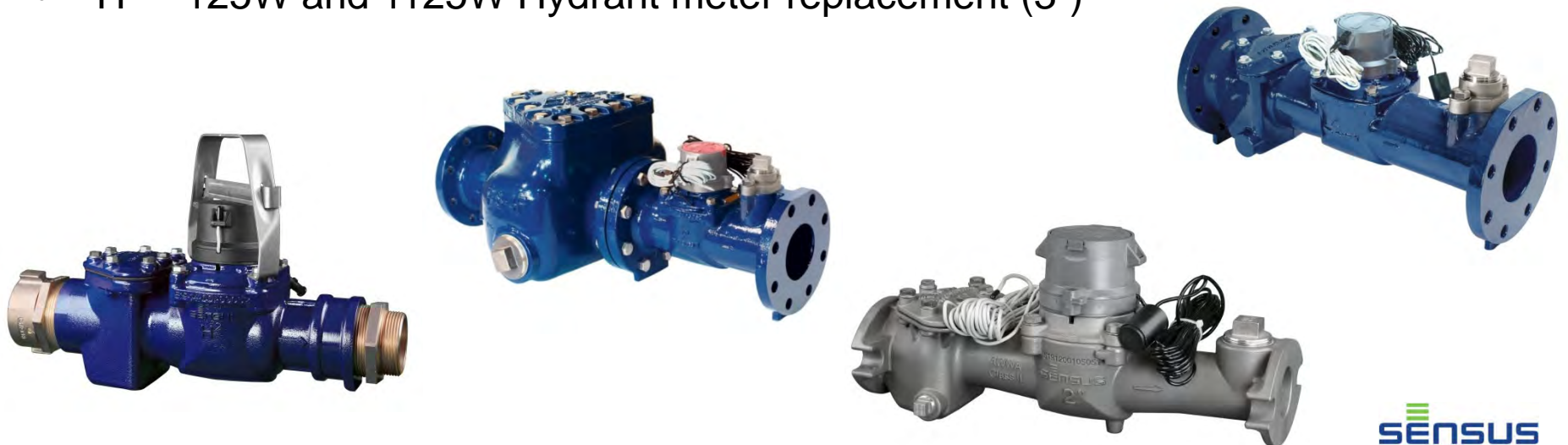
# ally Applications

- Connections with account turnover frequency
- Seasonal / Vacation properties
- Account with high management requirements
- Irrigation control
- Line bleeding for flushing or water quality management
- Areas with pressure issues
- Across the distribution network to provide a pressure profile and temperature monitoring
- Areas with temperature sensitivity to freezing

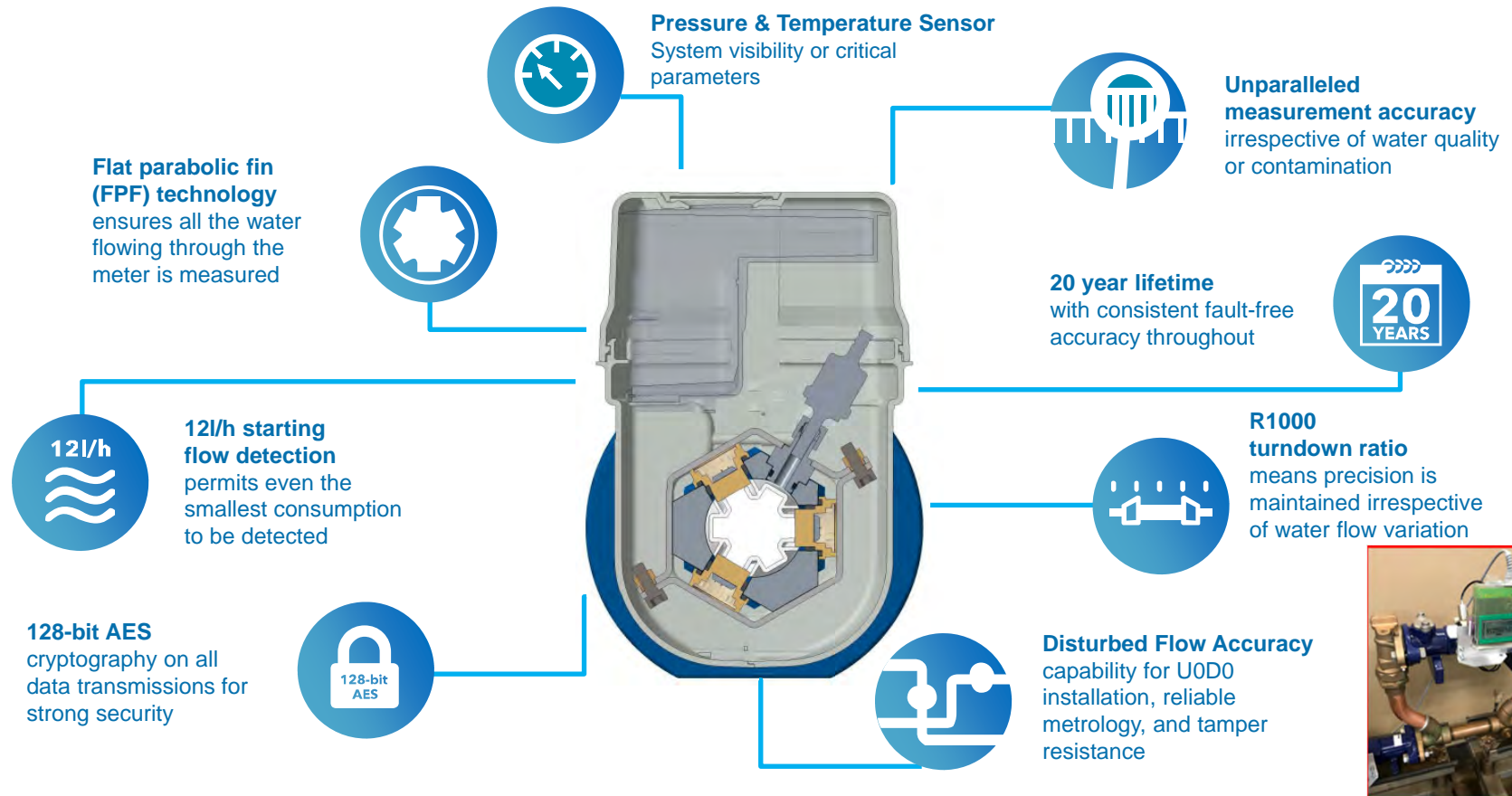
# Omni+ Large Meters

## Five styles are available

- T2 – DRS Turbo meter replacement (1-1/2" – 10") (Includes Stainless Steel Option)
- C2 – High accuracy Compound meter replacement (1-1/2" – 10") (Includes Stainless Steel Option)
- F2 – High accuracy Fireline meter replacement (4" – 10")
- R<sup>2</sup> – Residential (1 ½" and 2")
- H<sup>2</sup> – 125W and 1125W Hydrant meter replacement (3")



# Cordonei



# Right Sizing Applications

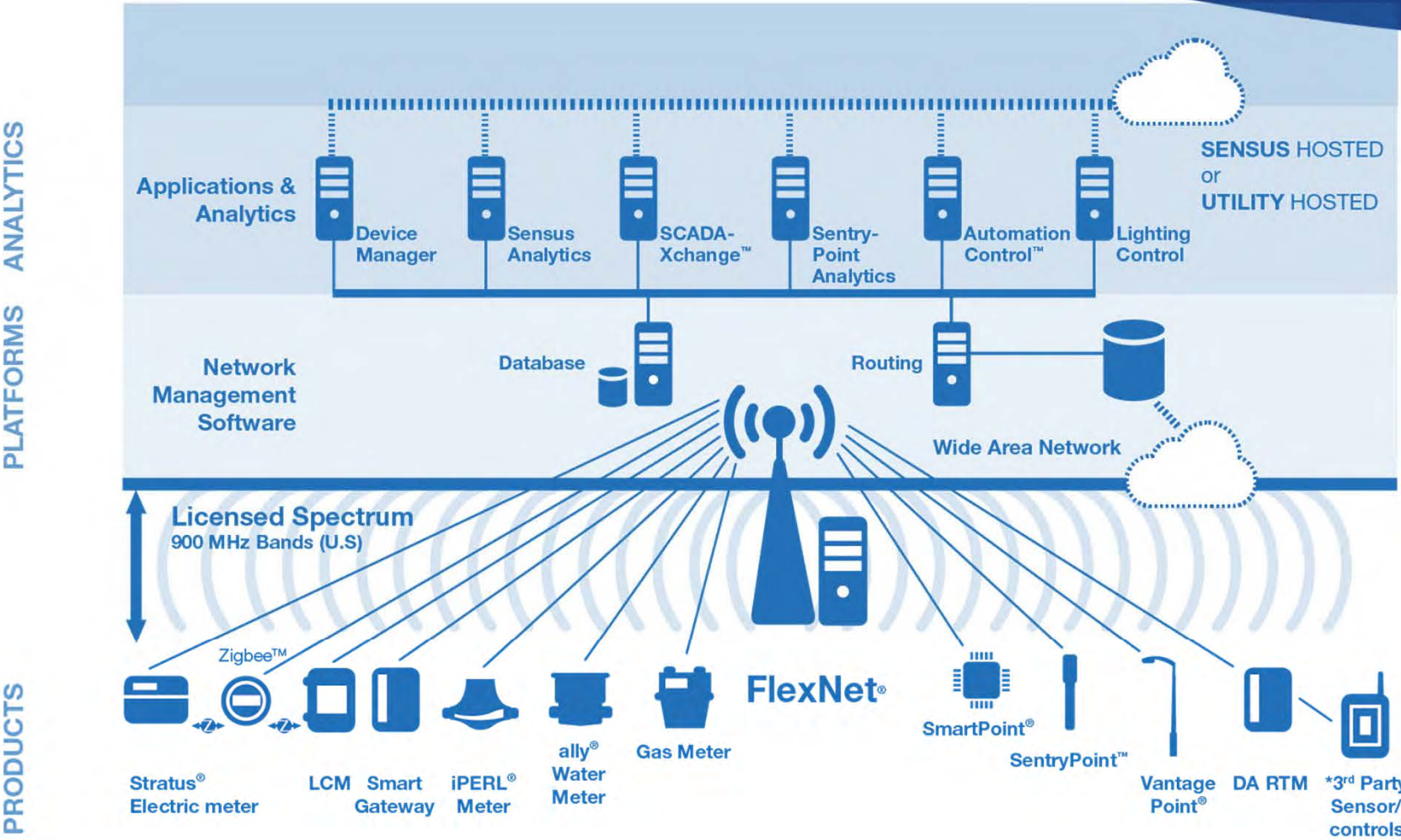


a xylem brand

# Network

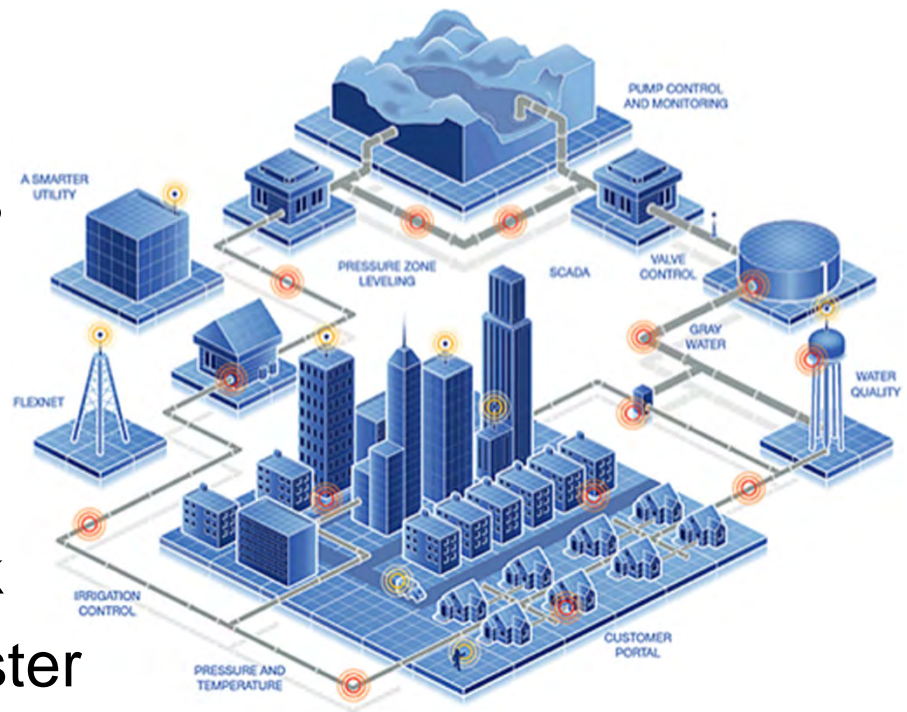


# Sensus multi-application portfolio

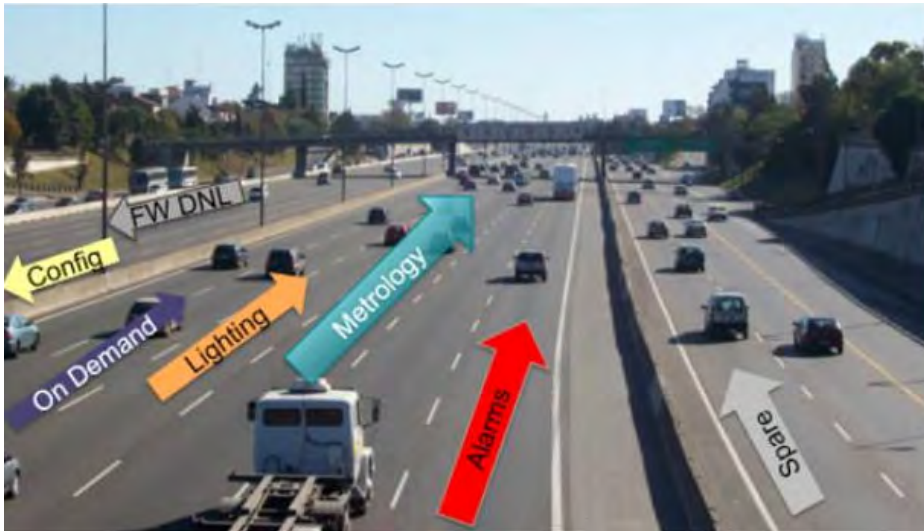


# FlexNet Technology

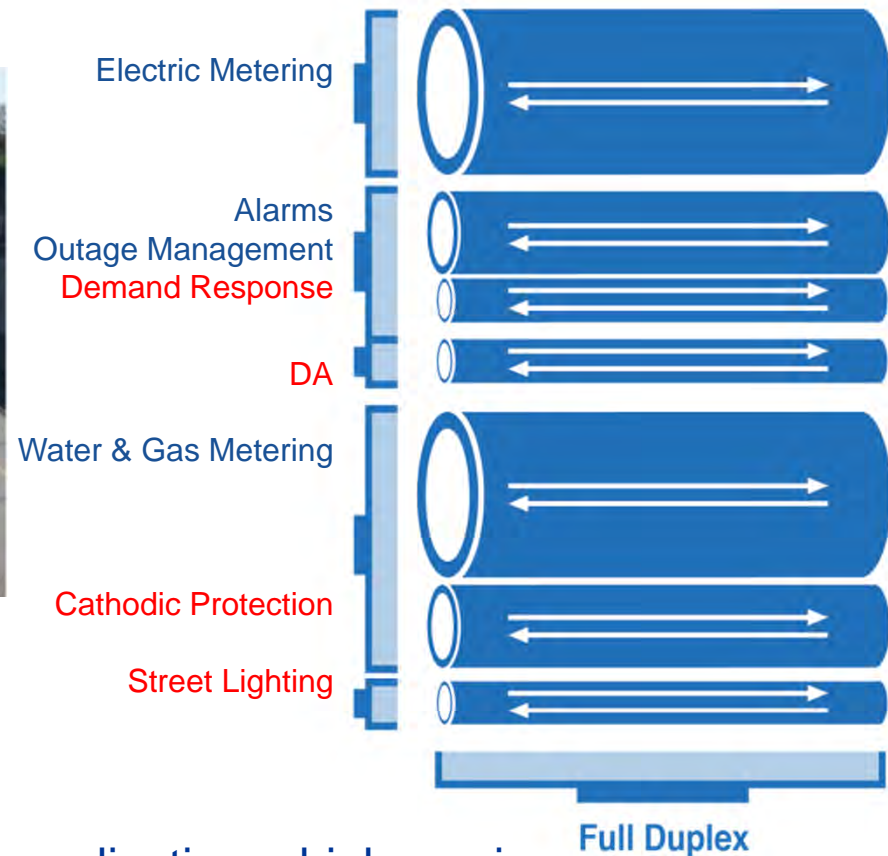
- Primary Licensed FCC Frequency
- Highest Power and Range
  - 2 Watts x Point to Multi-Point
- Most Reliable Communications
- True Two Way Operation
- Duality in Case Of Disaster
- End to End Data Encryption
- All applications on one network
- Migrates easily in case of disaster



# Example FlexNet Channels Allocation



## FlexNet Multiple Dedicated Channels



Dedicated channel by application – high service

# Base Stations



**M400B2  
Base Station**  
22"x22"x10"  
150 lbs.

- Large coverage area equipment
- 16W transmit power
- Battery backup – 8 hours
- Eight 25 kHz receive channels
- Pole and wall mounting capable
- Flexible backhaul options



**R100NA  
Base Station**  
12"x12"x6"  
21 lbs.

- Low cost infill solution
- Battery back-up – 1 hour
- 2W transmit power
- Three 25 kHz receive channels
- Pole and wall mount
- Flexible backhaul options

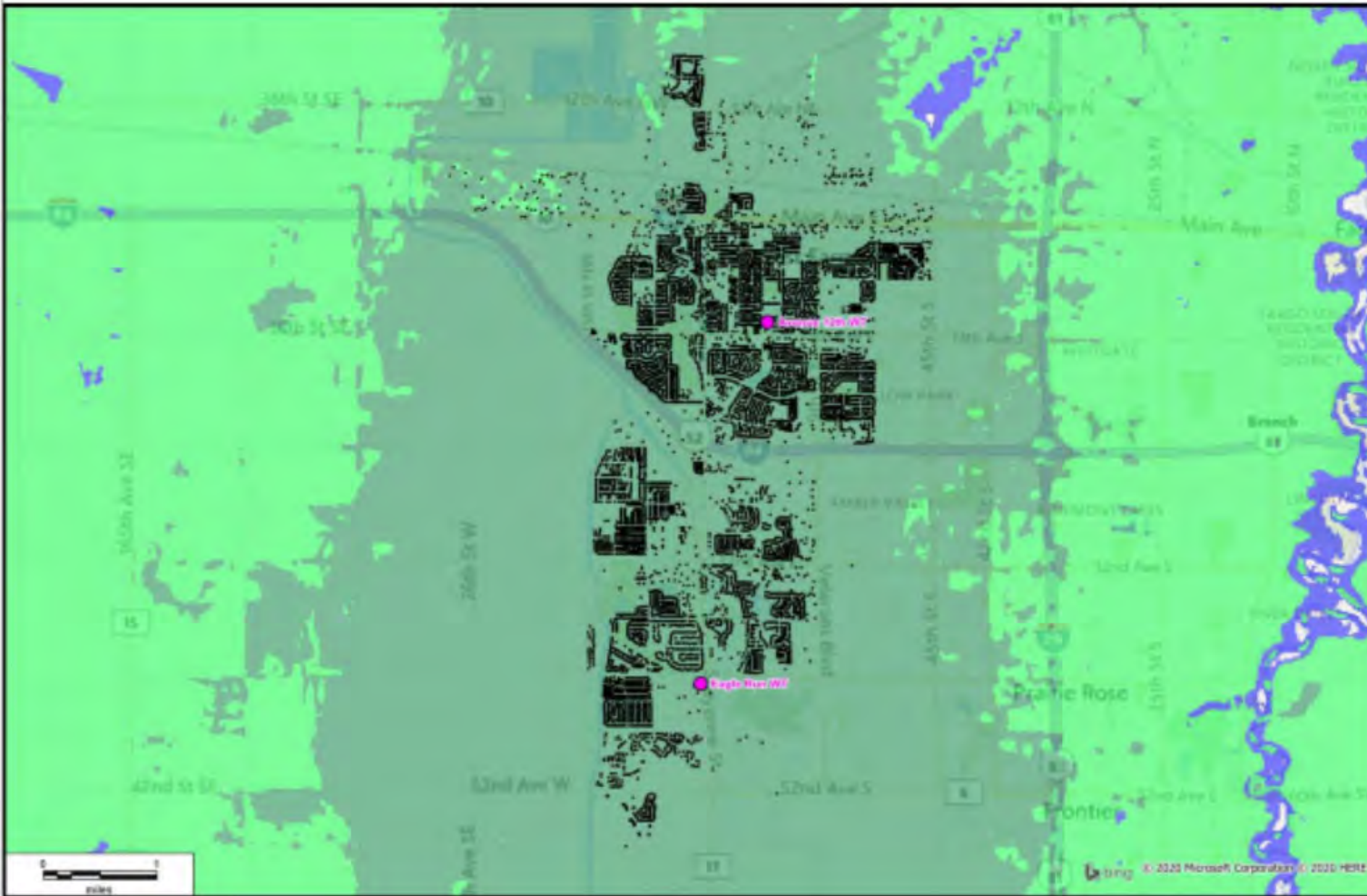
# Sensus SmartPoint

## Endpoints

- 20 Million water currently deployed
- Remote upgradable, configurable
- High power endpoints - 2 watts
- On demand 2-way reads - MOM Comm
- **20 Year warranty – 15/5!!**
- Two variations for above grade and pit set applications
- 35 days data
- Easy installation – can utilize 2-wire connection with TouchCoupler
- Can read all encoded water meters



# West Fargo Propagation Study



## FlexNet Design

Propagation Analysis

9061 - WEST FARGO CITY OF  
West Fargo, ND

RF Engineer: Dena Reszczynski  
Date: 07/29/2020

### Proposed Site Details

Total Site Locations: 2  
Total Base station Counts: 2  
M400B2 = 2

### Design Factors

Flex Net Version: V1  
Endpoint Type: Ally Water  
Smart point Location: Indoor

	Count	%
Total Endpoints Covered	11,422	100.00%
Ally Coverage	11,384	99.66%
2 Way Coverage	38	0.34%
1 Way Coverage	0	0.00%
Total Endpoints Analyzed	11,422	

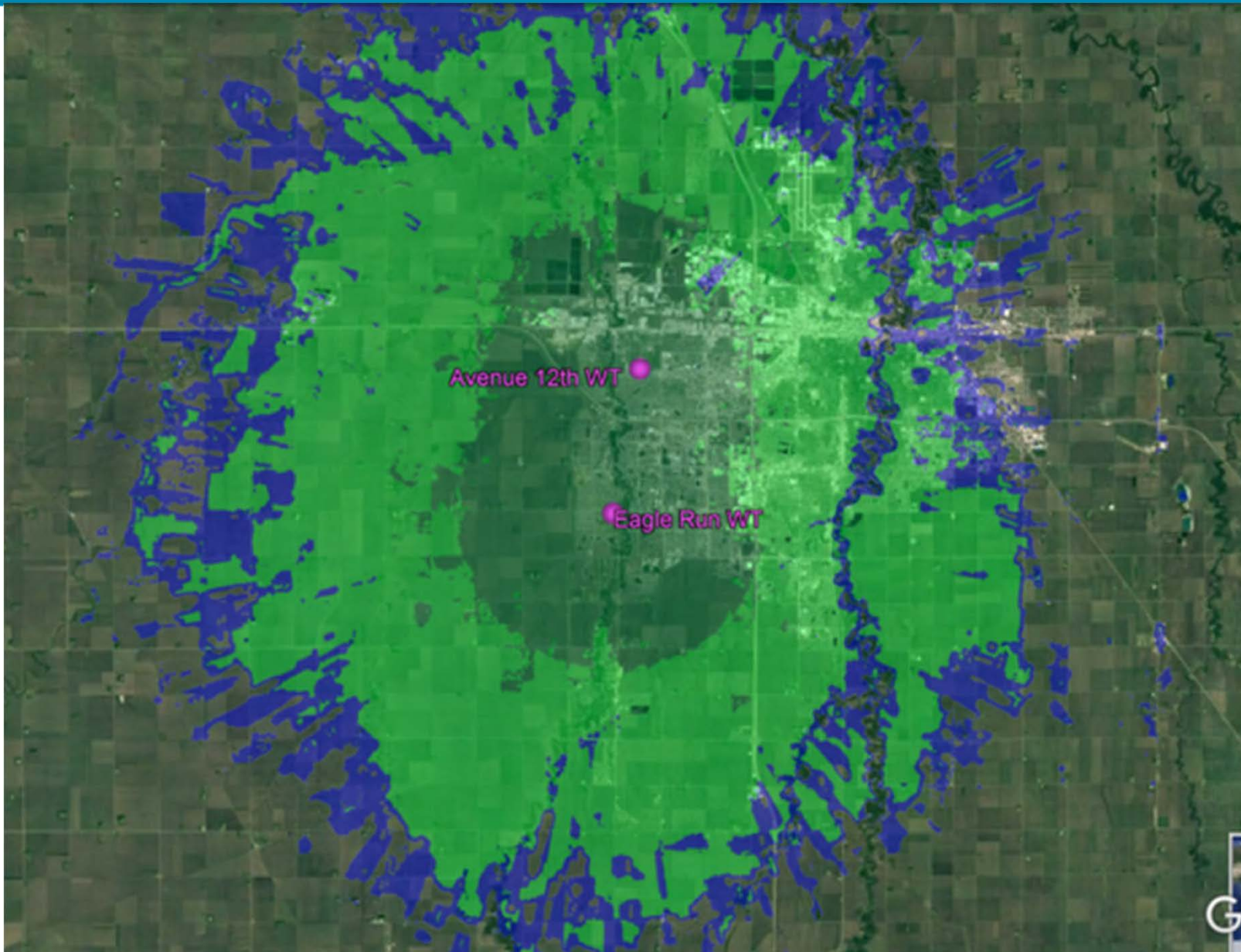
### LEGEND

- Ally Coverage
- 2 Way Coverage
- 1 Way Coverage
- Site Location
- Endpoint Location

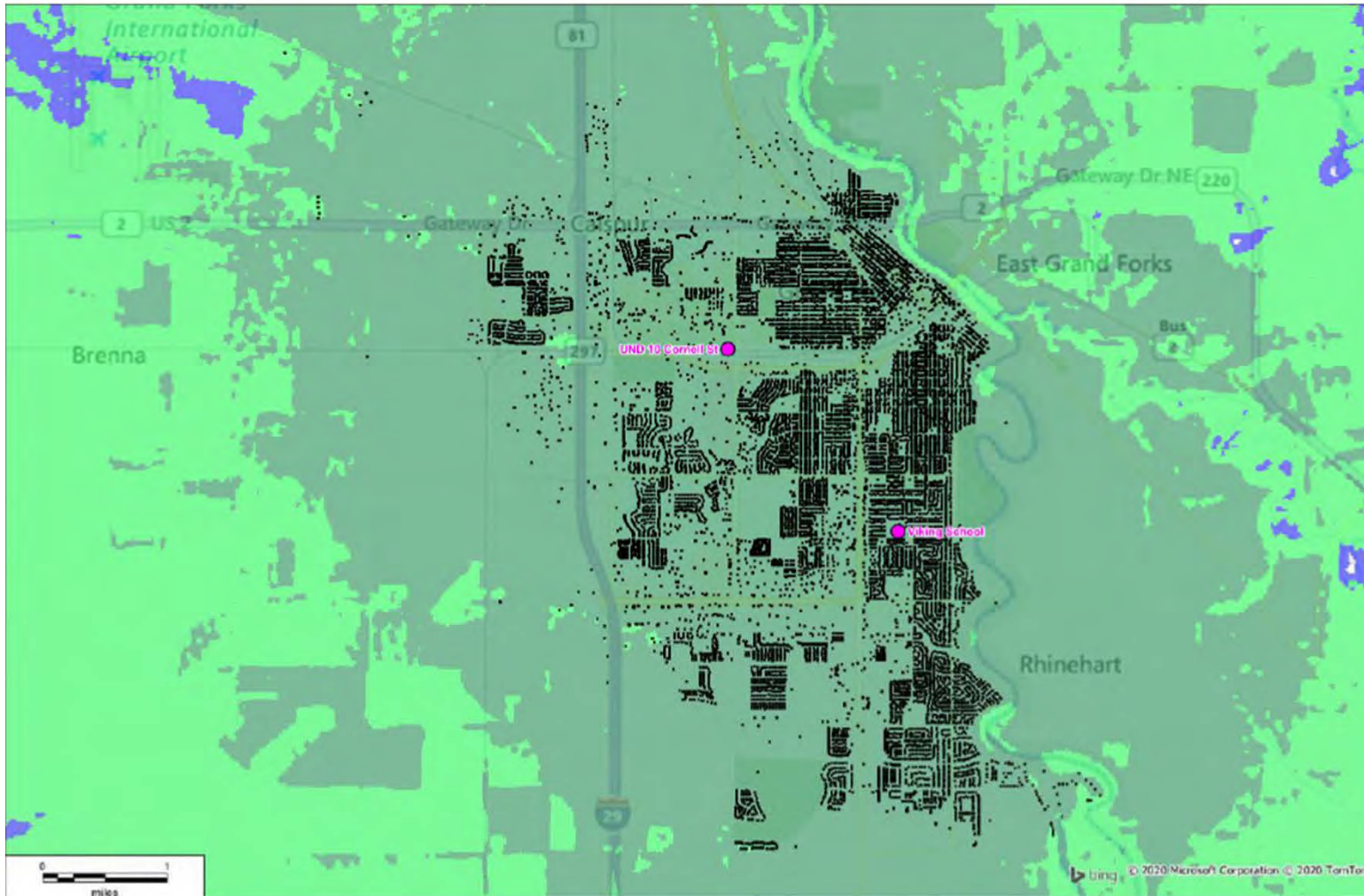
This propagation study is based on actual information provided by the utility pertaining to meter type, Smart point Location, potential antennae height on structure, structure height, and structure location. Any changes, deletions and/or additions that are not provided to the design engineers during the creation of this design may result in a study that does not correlate to actual field conditions.



# Propagation Study on Google Earth



# Propagation Study-Grand Forks



## FlexNet Design

Propagation Analysis

11279 - GRAND FORKS CITY  
OF  
Grand Forks, ND

RF Engineer: Dena Reszczyński

Date: 01/22/2021

### Proposed Site Details

Total Site Locations: 2

Total Base station Counts: 2

M400B2 = 2

### Design Factors

Flex Net Version: V1

Endpoint Type: Ally Water

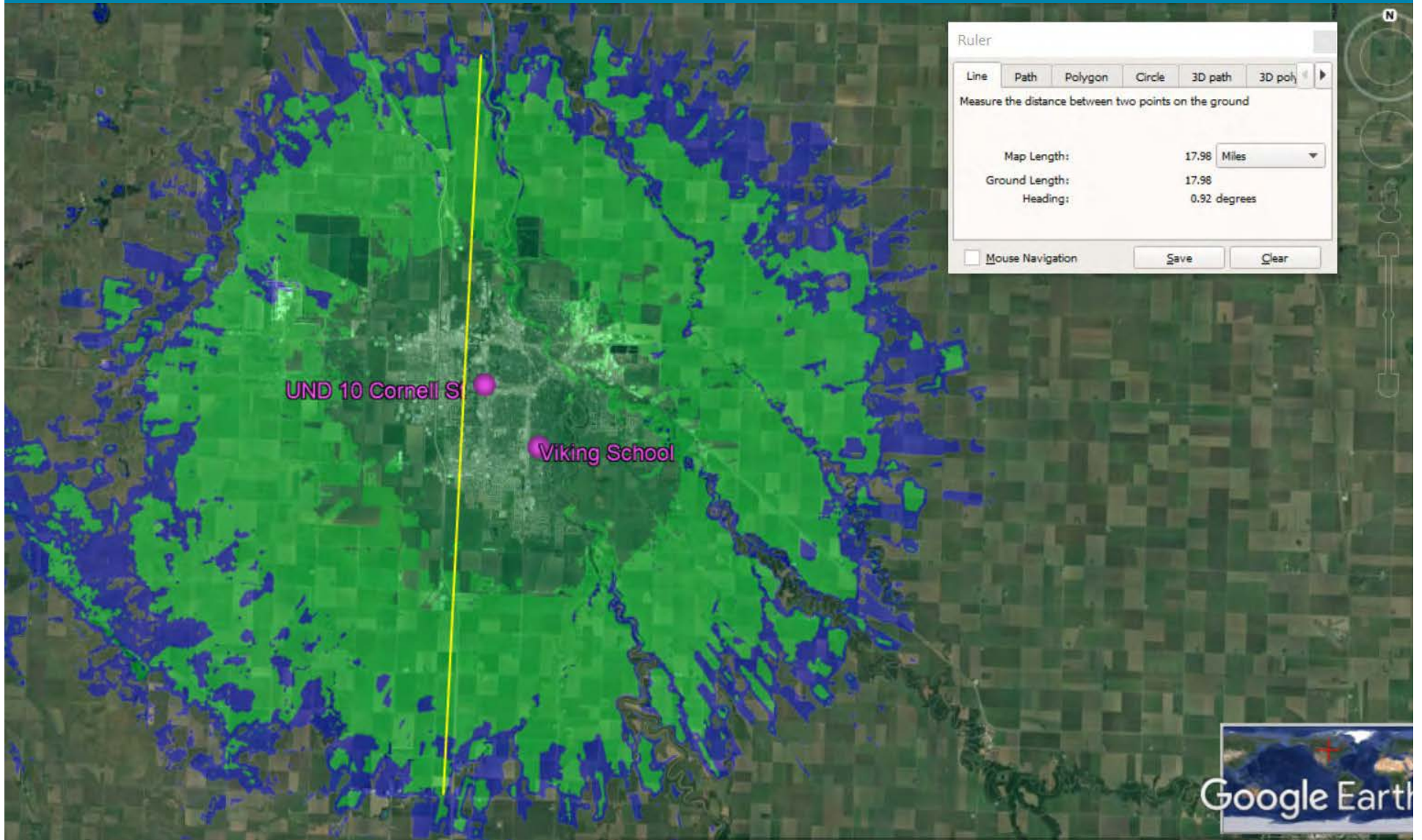
Smart Point Location: Inside

	Count	%
Total Endpoints Covered	15,220	100.00%
Ally Coverage	15,133	99.43%
2 Way Coverage	87	0.57%
1 Way Coverage	0	0.00%
Total Endpoints Analyzed	15,220	

### LEGEND

- Ally Coverage
- 2 Way Coverage
- 1 Way Coverage
- Site Location
- Endpoint Location

# Propagation Study on Google Earth – Grand Forks

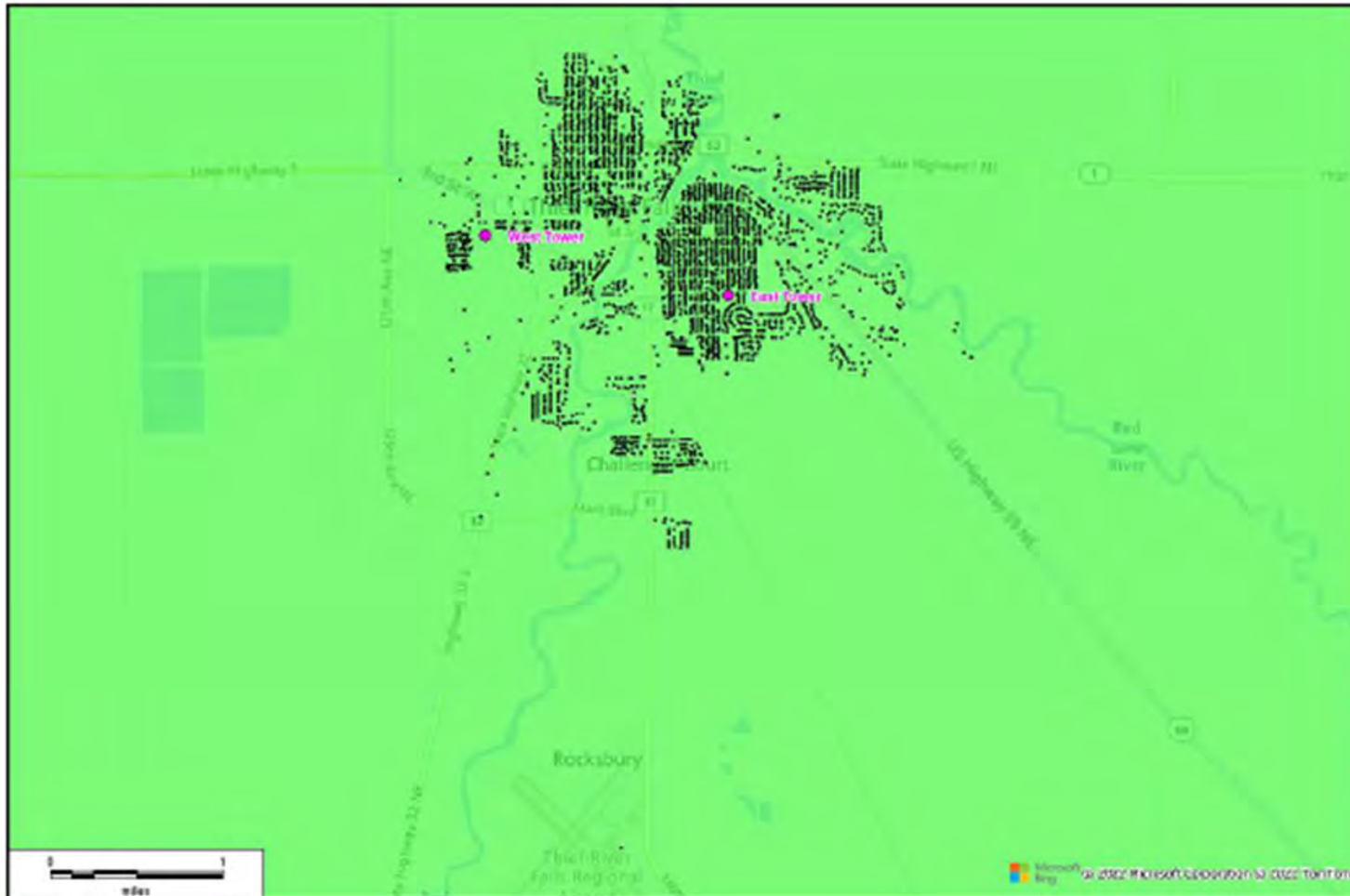


# Propagation Study on Google Earth – Whitefish Bay

## Propagation Study



# Propagation Study – Thief River Falls, MN



## Proposed Design Propagation Analysis

12536 - THIEF RIVER FALLS  
CITY OF  
Thief River Falls, MN

RF Engineer: Eric Campbell  
Date: 5/12/2022

### Proposed Site Details

Total Site Locations: 2  
Total Base station Counts: 2  
M400B2 = 2

### Design Factors

Flex Net Version: V1  
Endpoint Type: Water  
Smart point Location: Indoor

	Count	%
Total Endpoints Covered	1,244	100.00%
2 Way Coverage	1,244	100.00%
1 Way Coverage	0	0.000%
Total Endpoints Analyzed	1,244	

### LEGEND

- 2 Way Coverage
- 1 Way Coverage
- Site Location
- Endpoint Location

**SENSUS**  
a xylem brand

a xylem brand

Propagation study is based on actual information provided by the utility pertaining to meter type, Smart point Location, potential tower height on structure, structure height, and structure location. Any changes, deletions and/or additions that are not provided to design engineers during the creation of this design may result in a study that does not correlate to actual field conditions.

# Propagation Study – Thief River Falls, MN

**Customer Name:** 12536 - THIEF RIVER FALLS CITY OF

**Date:** 5/12/2022

**City/State or Country:** Thief River Falls, MN

**Meter Type:** Water

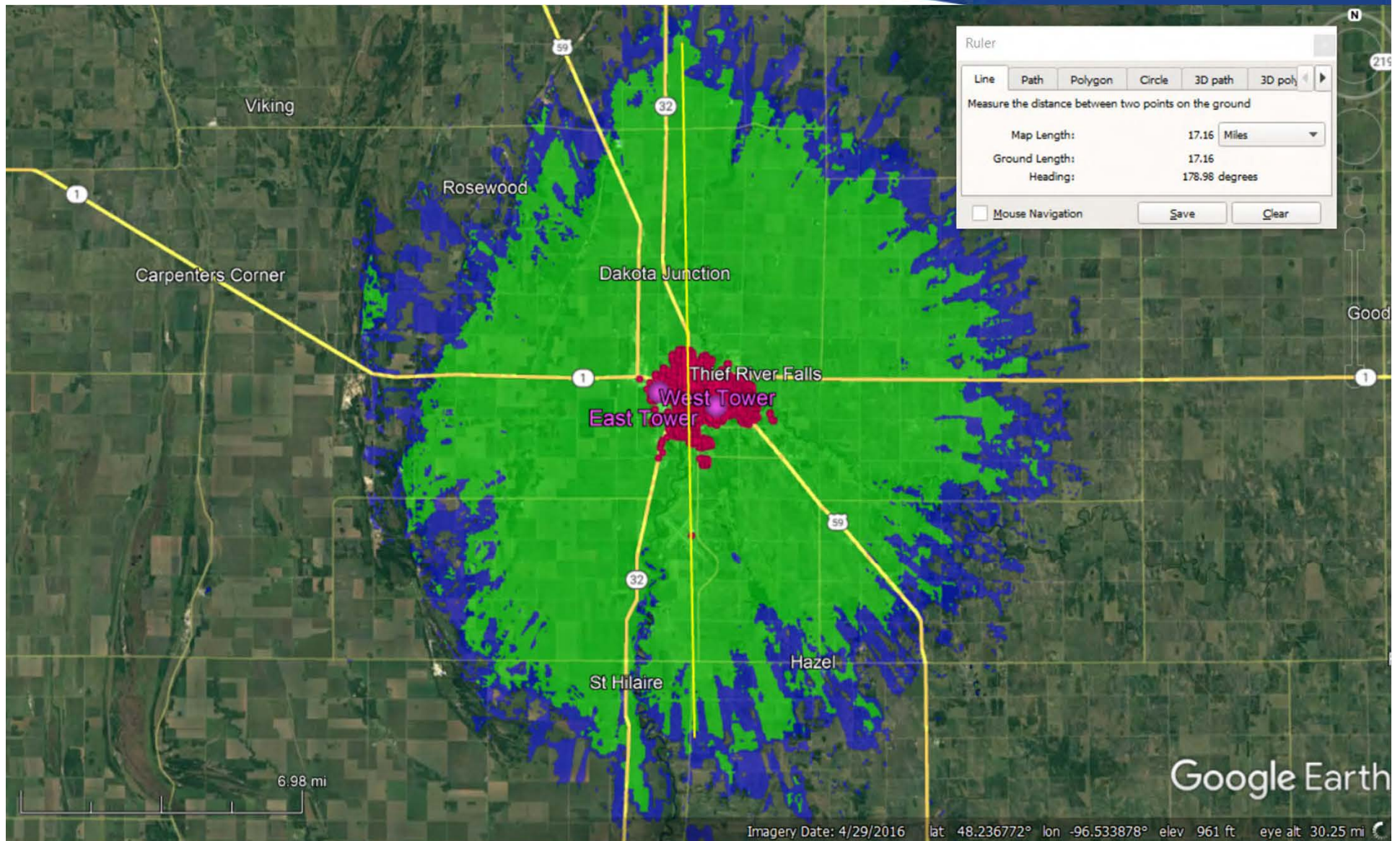
**Number of Meters Analyzed:** 3,244

**Smart Point Location:** Inside

BTS Name	Basestation Equipment	Mandatory Antenna Centerline (Feet)	Mandatory Antenna Installation Location & Azimuth	Endpoints Covered	The meter counts indicated for the individual sites are cumulative in nature, and coverage overlap is involved.
East Tower	M400B2	100	Top of Structure	3,244	
West Tower	M400B2	135	Top of Structure	3,244	

	Count	%
Total Endpoints Covered	3,244	100.00%
2 Way Coverage	3,244	100.00%
1 Way Coverage	0	0.000%
Total Endpoints Analyzed	3,244	

# Propagation Study – Thief River Falls, MN



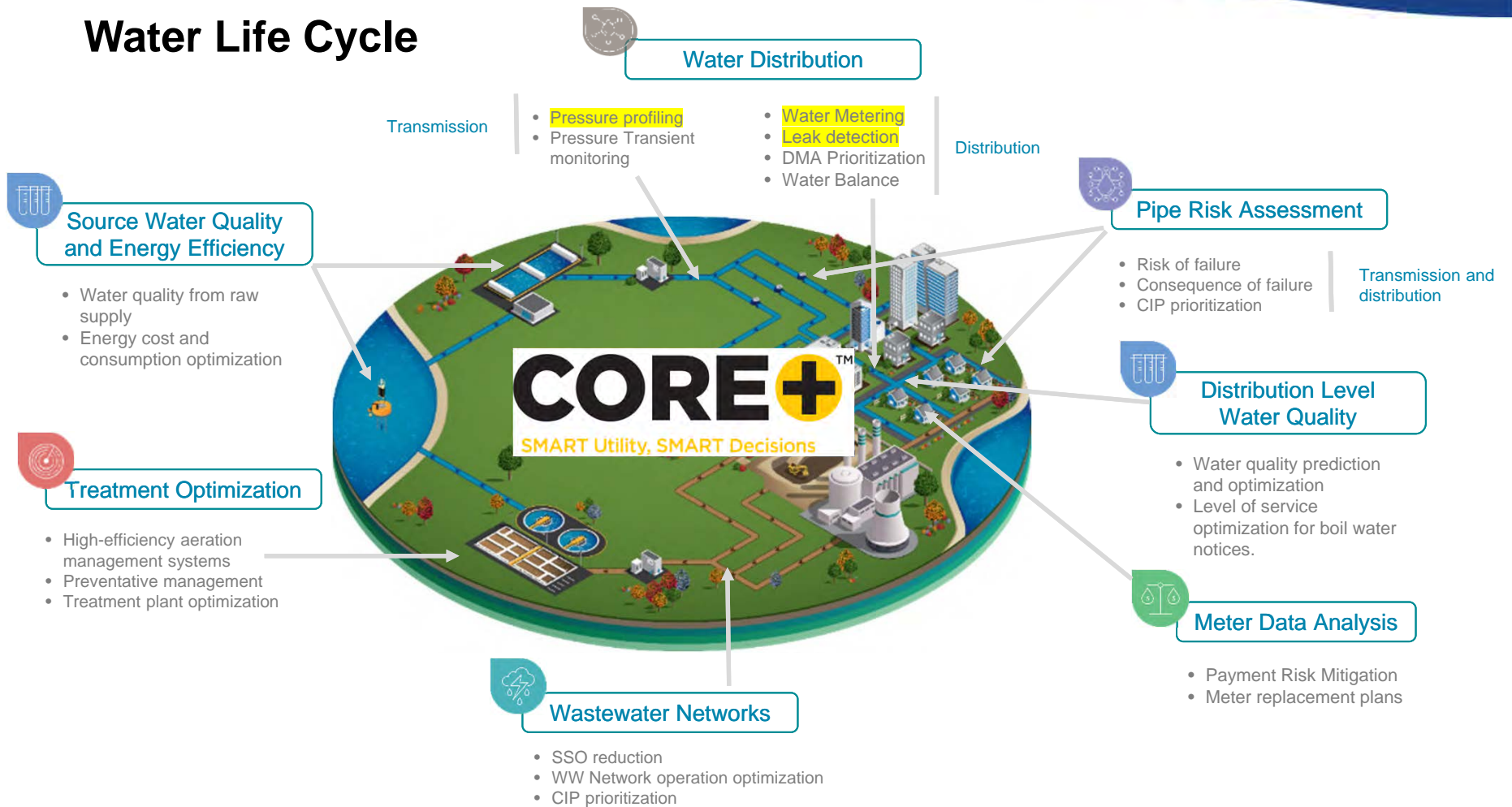
# Advanced Monitoring Solutions & Core+

# CORE+ - What is in the CORE+ Portfolio?



# What does Advance Monitoring Solutions look like?

## Water Life Cycle



# Smart Gateway

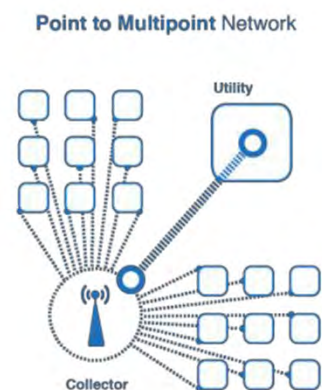
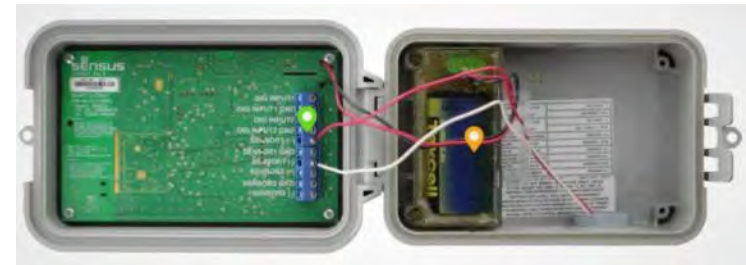
## Features

- FlexNet® Communication Network Enabled
- Made for remote deployment
  - Battery Powered
  - Intrinsically Safe Class I Div. 2
  - IP66 packaging for outdoor applications
  - Maintenance free for the life of the product



# Smart Gateway

- Features (cont.)
  - Inputs
    - Two 4-20mA Inputs
      - Adjustable sampling and reporting rates
      - Default 15 minute data sampling, reported every hour
    - Two Form A Digital Inputs
      - Always on
  - FlexNet<sup>®</sup> Network
    - Utility grade
    - Primary use, licensed spectrum
    - Two-way communication
    - Point-to-Multipoint Network
    - Low latency



## Current reading of sewer meters in Eagan, Minnesota

Eagan, Minnesota (headquarters of the perennially disappointing Minnesota Vikings) has 4 sewer meters that they want to read and monitor. In the Spring of 2020 we hooked a 3<sup>rd</sup> party brand (ISCO) of sewer meter up to a Sensus 512M SmartPoint. This was a new type of SP that can read a “pulse” type of output. The installation took about ½ of a day and now the reads come in like any other meter on their system. They are monitoring several large office complexes and the wastewater discharge of the Minnesota Zoo. The following are screen shots of the Eagan RNI.


# Reading a ISCO sewer meter and the Minnesota Zoo with Sensus FlexNet

**SENSUS** Eagan, MN » Manage Water Welcome **robR** | [System Settings](#) | [Launch Pad](#) | [Help](#) | [Log Out](#)

Dashboard Alerts Reports **Devices** Groups System Intelligence Single ID ▾ FlexNet ID ▾  Search Saved

« **Meter 219H01897** Eagan, MN SmartPoint North American 2-Way Water **47** Lifecycle State **Installed** 03/27/2020 Administrative State **Active** RIS **100%** Voltage **3.66 V** 01/31/2021 3:03:29 AM Latest Read **27689000 Gal** 02/04/2021 5:00:00 PM Latest Message **5:23:27 PM** 02/04/2021

About this Device Alerts Communications History **Read Data**

SmartPoint Information	Configuration <span style="float: right;"><a href="#">Advanced</a></span>	Location <span style="float: right;"><a href="#">Edit Location</a></span>
SmartPoint: North American 2-Way Water <b>47</b>	SmartPoint Top Level State	 Address: Eagan, MN POD: Latitude: 44.77573° Longitude: -93.18680° Time Zone: America/Chicago/CST
FlexNet ID: 99015966	Top Level State Listen After Talk	
POD: --	SmartPoint Transmit	
IP Address: --	Transmit Mode Normal Mode	Groups <span style="float: right;"><a href="#">Add Device to Group</a></span>
Provisioned State: Basic Setup Complete	Meter Sample Rate 1 Hour	<input checked="" type="checkbox"/> Sewer Meters <span style="float: right;">3</span>
Installed Date: 03/27/2020 <a href="#">Edit</a>	Transmit Rate 4 Hours	Tags <span style="float: right;"><a href="#">Add a Tag</a></span>
SmartPoint Firmware: R1.1.16	Transmit Modulation Normal Power	There are no tags associated with this device
SmartPoint Message Version: B1.A.00	SmartPoint Reads	Post Note
Metrology Information	Meter Units Gallons	
Product Type: Water Pulse <b>50</b>	Read Resolution 1,000s of Gallons	
	History Resolution 1,000s of Gallons	
	Enhanced History Compression Disabled	

SYSTEM MESSAGING Recent Requests **12**

# Reading a ISCO sewer meter and the Minnesota Zoo with Sensus FlexNet

**SENSUS** Eagan, MN » Manage Water Welcome [robR](#) | [System Settings](#) | [Launch Pad](#) | [Help](#) | [Log Out](#)

Dashboard Alerts Reports **Devices** Groups System Intelligence    Saved

« **Meter 219H01897** SmartPoint North American 2-Way Water 47 Lifecycle State **Installed** Administrative State **Active** RIS **100%** Voltage **3.66 V** Latest Read **27689000 Gal** Latest Message **5:23:27 PM**  
Eagan, MN 03/27/2020 01/31/2021 3:03:29 AM 02/04/2021 5:00:00 PM 02/04/2021

About this Device Alerts Communications History **Read Data**

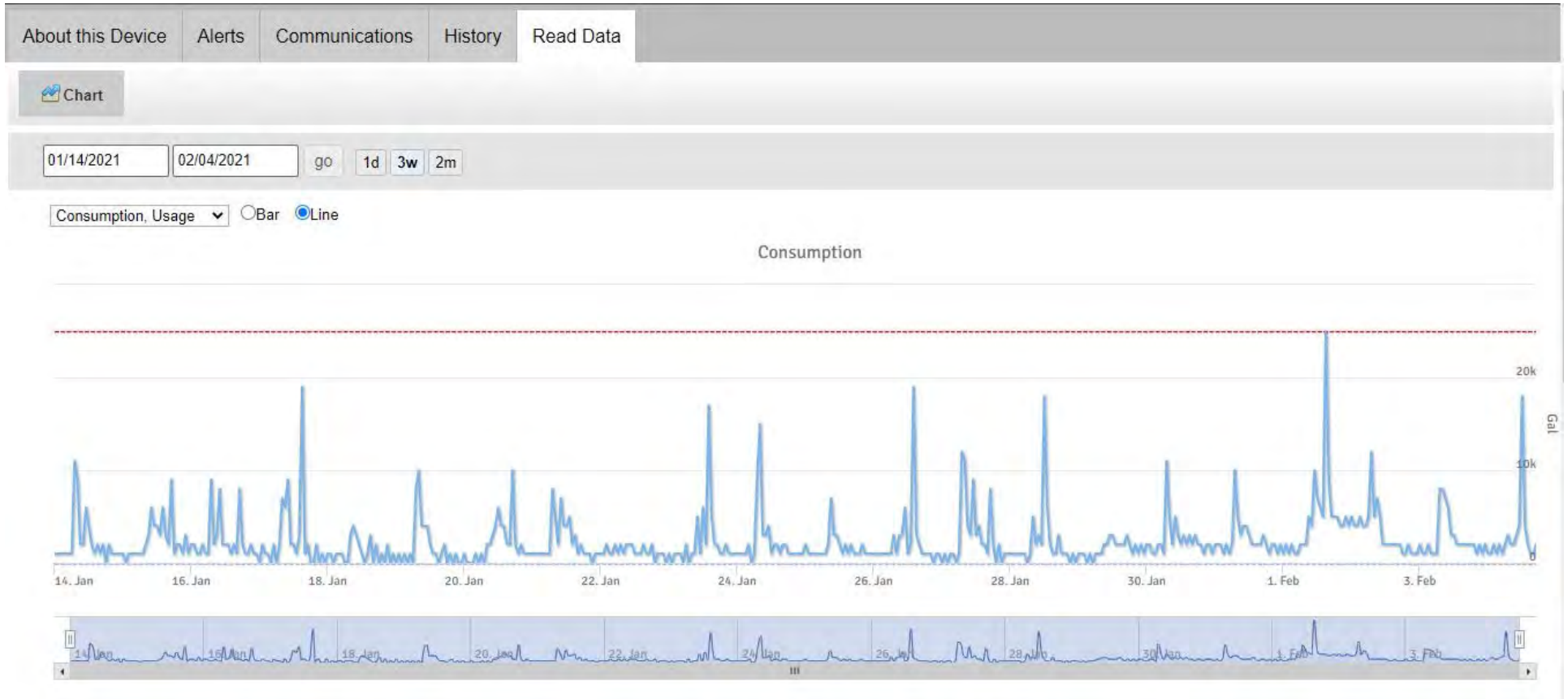
Chart

« Yesterday Today : February 4, 2021 Export CSV   go

Intervals (CST)	Analysis	Interval Status	Consumption (Gal)		
			STATUS	USAGE	READING
5:00 PM				2000	27689000
4:00 PM				1000	27687000
3:00 PM				1000	27686000
2:00 PM				2000	27685000
1:00 PM				4000	27683000
12:00 PM				18000	27679000
11:00 AM				4000	27661000
10:00 AM				3000	27657000
9:00 AM				2000	27654000

**SYSTEM MESSAGING** Recent Requests 12

# Reading a ISCO sewer meter and the Minnesota Zoo with Sensus FlexNet



## Solution for monitoring levels on the Sheyenne River for West Fargo, ND

We are currently using an ultrasonic transducer to monitor the level of the water in feet and output that value as an analog 4-20 mA signal. We then transmit that value as a reading using the Sensus Smart Gateway AMI endpoint. This readings can be monitored by utility personal. Alarm values can be assigned and the FlexNet system can alert utility personal as well.

# Solution for monitoring levels on the Sheyenne River for West Fargo, ND



## International Falls, MN Pressure monitoring with ally water meters

International Falls currently has 60+ Ally meters deployed in their AMI network for monitoring temperature, pressure and for shut-offs of continuous non-payment customers. The following are examples of how the pressure levels, alerts and settings are viewed in Sensus Analytics.

Alert Persistence Period

Get

Configure Alert Persistence Period 1 Day

Alert Thresholds

Delete

Set Config

Cancel

⚠ Before setting new Alert Thresholds make sure there aren't any other in processing.

<input checked="" type="checkbox"/> High Threshold	Disabled	Alarm will be triggered if Pressure is at or above 70.2 psi for 24 sample reading(s) which are every 1 Hour
<input checked="" type="checkbox"/> Low Threshold	Disabled	Alarm will be triggered if Pressure is at or under 64.1 psi for 24 sample reading(s) which are every 1 Hour
<input type="checkbox"/> Inside Range	Disabled	Alarm will be triggered if Pressure is between [ ] psi and [ ] psi for [ ] sample reading(s) which are every 1 Hour
<input type="checkbox"/> Outside Range	Disabled	Alarm will be triggered if Pressure is at or under [ ] psi or over [ ] psi for [ ] sample reading(s) which are every 1 Hour

General Setup

Get

Set

Latitude 45.11088  
Longitude -95.05313



**SENSUS** International Falls, MN » Manage Water Welcome ifmn\_admin System Settings Launch Pad Help Log Out

Dashboard Alerts Reports **Devices** Groups System Intelligence Single ID Device ID Search Saved

---

**Meter B86261169**  
624 1/2 8th St International Falls, MN 56649

SmartPoint: **North American 2-Way Water** 47

Lifecycle State: **Installed** 03/28/2019

Administrative State: **Active**

RIS: **100%**

Voltage: **3.64 V** 02/04/2021 2:57:57 AM


Latest Read: **63632 Gal** 02/09/2021 12:00:00 PM

Latest Message: **12:34:54 PM** 02/09/2021

---

About this... Alerts Communi... History Read Data Temperature Sensor Pressure Sensor Actions

---

<b>SmartPoint Information</b>	<b>Configuration</b> <a href="#">Advanced</a>	<b>Location</b> <a href="#">Edit Location</a>
SmartPoint: North American 2-Way Water 47	<b>SmartPoint Top Level State</b>	 Address: 624 1/2 8th St, International Falls MN, 56649
FlexNet ID: 91409802	Top Level State: Middle of Minute	Service Point ID:
Service Point ID: --	<b>SmartPoint Transmit</b>	Latitude: 48.59769°
IP Address: --	Transmit Mode: Normal Mode	Longitude: -93.40945°
Provisioned State: Basic Setup Complete	Meter Sample Rate: 1 Hour	Time Zone: America/Chicago/CST
Installed Date: 03/28/2019 Edit	Transmit Rate: 4 Hours	<b>Groups</b> <a href="#">Add Device to Group</a>
SmartPoint Firmware: R1.9.12	Transmit Modulation: Low Power - 13FSK	There are no groups associated with this device
Last SmartPoint FW Update: 02/23/2020	<b>SmartPoint Reads</b>	<b>Tags</b> <a href="#">Add a Tag</a>
SmartPoint Message Version: R1.9.12	Meter Units: Gallons	There are no tags associated with this device
<b>Metrology Information</b>	Read Resolution: 1 Gallon	
	History Resolution: 10s of Gallons	

---

SYSTEM MESSAGING Recent Requests 5 Enhanced History Disabled Compression

See all photos

+ Add to



Edit & Create Share

**Meter B86261169**  
 624 1/2 8th St International Falls, MN 56649

SmartPoint  
**North American 2-Way Water** 47

Lifecycle State  
**Installed**  
 03/28/2019

Administrative State  
**Active**

RIS  
**100%**

Voltage  
**3.64 V**  
 02/04/2021 2:57:57 AM

Latest Read  
**63632 Gal**  
 02/09/2021 12:00:00 PM

Latest Message  
**12:34:54 PM**  
 02/09/2021

**Filter Alerts**

Search Alerts  
GO

View  
Back 10 DAYS

**ALERT CATEGORY**

- All Alert Categories
- Engineering
- Equipment
- Feature
- Security
- Service

**ALERT SEVERITY**

Export CSV 1 Match

Alert	Alert Category	Alert Severity	Alert Source	Start Time	End Time	Status	Duration	Actions
Low Pressure Threshold: 35.00 static psi for 1 minute	Feature	<b>Cr</b>	Device	01/15/2021 10:06:00 PM	01/15/2021 10:54:00 PM	Inactive	48 Min 0 Secs	Detail

Showing 1 - 1 of 1 | 100 Per page

Last Refresh: 02/09/2021 1:48:49 PM

**Meter B86261169**  
 624 1/2 8th St International Falls, MN 56649

**SmartPoint**  
**North American 2-Way Water** 47

**Lifecycle State**  
**Installed**  
 03/29/2019

**Administrative State**  
**Active**

**RIS**  
**100%**

**Voltage**  
**3.64 V**  
 02/04/2021 2:57:57 AM

**Latest Read**  
**63632 Gal**  
 02/09/2021 12:00:00 PM

**Latest Message**  
**12:34:54 PM**  
 02/09/2021

About this... Alerts Communi... History Read Data Temperature Sensor ▾ Pressure Sensor ▾

Chart

« Yesterday **Today : February 9, 2021** Export CSV 02/09/2021 02/09/2021 go

Time (CST)	Pressure (psi) Channel 2
10:00 AM	72.10
9:00 AM	70.90
8:00 AM	70.30
7:00 AM	69.90
6:00 AM	68.70
5:00 AM	69.20
4:00 AM	69.50
3:00 AM	69.50
2:00 AM	69.70
1:00 AM	69.80
12:00 AM	67.10

« Back Feb. 1 Feb. 2 Feb. 3 Feb. 4 Feb. 5 Feb. 6 Feb. 7 Feb. 8 Today Showing 1 - 11 of 11

*Last Refresh: 02/09/2021 1:47:54 PM*



« **Meter B86261169** SmartPoint Lifecycle State Administrative State RIS Voltage Latest Read Latest Message  
624 1/2 8th St International Falls, MN 56649 **North American 2-Way Water** 47 **Installed** **Active** **100%** **3.64 V** **63632 Gal** **12:34:54 PM**  
03/28/2019 02/04/2021 2:57:57 AM 02/09/2021 12:00:00 PM 02/09/2021

About this... Alerts Communi... History Read Data Temperature Sensor ▾ Pressure Sensor ▾ ↻ 📶 Actions ▾

Chart

01/09/2021 02/09/2021 go 1d 2w 1m

Bar  Line

### Pressure



## International Falls, MN temperature monitoring with ally water meters

International Falls originally purchased the ally meters for their temperature monitoring capabilities. They wanted to better control their “run orders” during the winter months and the ally gave them the ability to do the “run order” per house hold instead of doing blocks at a time.

# RNI view of ally low temperature alarms

SENSUS International Falls, MN » Manage Water Welcome ifmn\_admin System Settings Launch Pad Help Log Out

Dashboard Alerts Reports **Devices** Groups System Intelligence Single ID Device ID Search Saved

« **Meter B86261169** 624 1/2 8th St International Falls, MN 56649 **SmartPoint North American 2-Way Water** 47 **Lifecycle State Installed** 03/28/2019 **Administrative State Active** **RIS 100%** **Voltage 3.64 V** 02/04/2021 2:57:57 AM **Latest Read 63632 Gal** 02/09/2021 12:00:00 PM **Latest Message 12:34:54 PM** 02/09/2021

About this... Alerts Communi... History Read Data **Temperature Sensor** Pressure Sensor Actions

**Filter Alerts** Export CSV

Search Alerts   9 Matches

View  Back 10 DAYS

**ALERT CATEGORY**

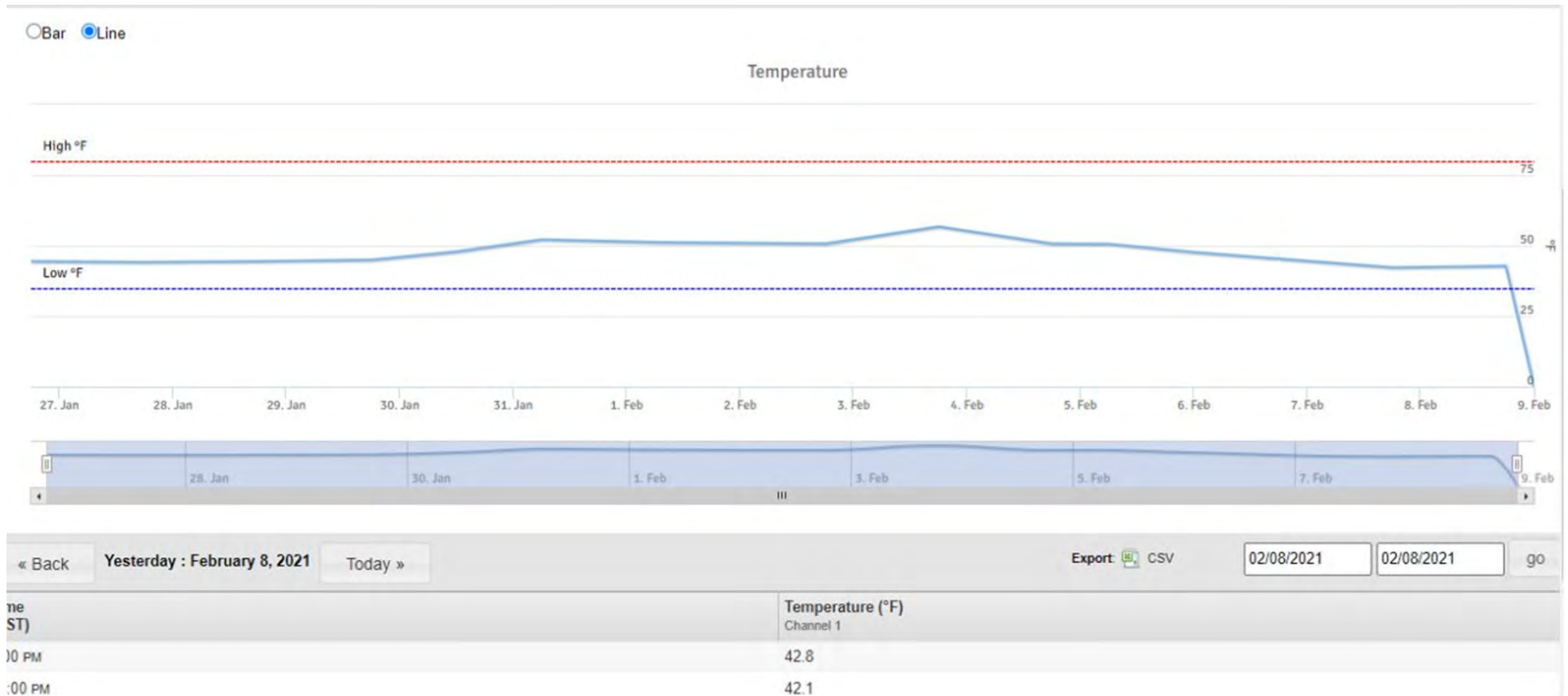
- All Alert Categories
- Engineering
- Equipment
- Feature
- Security
- Service

**ALERT SEVERITY**

- Critical

Alert	Alert Category	Alert Severity	Alert Source	Start Time	End Time	Status	Duration	Actions
Low Temperature Threshold: 35.0 °F for 1 minute	Feature	Cr	Device	12/15/2020 1:03:00 AM	12/15/2020 1:03:00 AM	Inactive	--	<a href="#">Detail</a>
Low Temperature Threshold: 35.0 °F for 1 minute	Feature	Cr	Device	12/24/2020 10:39:00 PM	12/24/2020 10:43:00 PM	Inactive	4 Min 0 Secs	<a href="#">Detail</a>
Low Temperature Threshold: 35.0 °F for 1 minute Alert Reading: 34.5 °F	Feature	Cr	Device	12/15/2020 12:59:00 AM	12/15/2020 1:04:00 AM	Inactive	5 Min 0 Secs	<a href="#">Detail</a>
Low Temperature Threshold: 35.0 °F for 1 minute	Feature	Cr	Device	12/25/2020 2:33:00 AM	12/25/2020 2:39:00 AM	Inactive	6 Min 0 Secs	<a href="#">Detail</a>
Low Temperature Threshold: 35.0 °F for 1 minute	Feature	Cr	Device	12/24/2020 8:08:00 AM	12/24/2020 8:49:00 AM	Inactive	41 Min 0 Secs	<a href="#">Detail</a>
Low Temperature Threshold: 35.0 °F for 1 minute	Feature	Cr	Device	12/29/2020 9:10:00 AM	12/29/2020 10:10:00 AM	Inactive	1 Hr 0 Min 0 Secs	<a href="#">Detail</a>
Low Temperature Threshold: 35.0 °F for 1 minute	Feature	Cr	Device	12/29/2020 4:49:00 AM	12/29/2020 7:47:00 AM	Inactive	2 Hrs 58 Min 0 Secs	<a href="#">Detail</a>

# RNI view of ally low temperature graph



## Willmar Municipal Utilities, MN pressure monitoring with Smart Gateway

Willmar Municipal Utilities was looking for an inexpensive back up to their SCADA monitoring system for their elevated water tanks. A month after we installed their first Smart Gateway, their system was tested for the first time. Their “normal” SCADA system had a failure over a weekend and WMU was able to continue monitoring with the FlexNet Network until the SCADA came back on line.

# RNI view of Smart Gateway pressure sensor


**SENSUS** Willmar Municipal Utilities > Manage Water Welcome robR [System Settings](#) [Launch Pad](#) [Help](#) [Log Out](#)

Dashboard Alerts Reports **Devices** Groups System Intelligence Single ID ▾ Device ID ▾  Search Saved

---

« **Smart Gateway BE0\_120003023** Product SGW100 Lifecycle State **Installed**  
08/12/2020 Administrative State **Active** Top Level State **Middle of Minute** Voltage **3.63 V**  
02/07/2021 8:37:10 AM Latest Read **0.453 Ah**  
02/09/2021 12:00:00 PM Latest Message --

About this... Alerts Communi... History Read Data Pressure Sensor ▾ ↻ 📶 Actions ▾

<p><b>Device Information</b></p> <p>Product: SGW100</p> <p>Device ID: BE0_120003023</p> <p>FlexNet ID: 120003023</p> <p>Service Point ID: --</p> <p>IP Address: --</p> <p>Provisioned State: Basic Setup Complete</p> <p>Installed Date: 08/12/2020 <a href="#">Edit</a></p> <hr/> <p><b>Firmware Information</b></p> <p>Product Firmware: R0.1.2A</p>	<p><b>Radio Configuration</b> <a href="#">Advanced</a></p> <p><b>Top Level State</b></p> <p>Top Level State Middle of Minute</p> <hr/> <p><b>Transmit</b></p> <p>Transmit Mode Normal Mode</p> <p>Meter Sample Rate 1 Hour</p> <p>Transmit Rate 4 Hours</p> <p>Transmit Modulation Low Power - 13FSK</p> <hr/> <p><b>Security</b></p> <p>Encryption Management State: Encryption Supported</p> <p>Device Encryption: Disabled</p> <p>Encryption Status: Encryption is disabled.</p>	<p><b>Location</b> <a href="#">Edit Location</a></p> <div style="border: 1px solid #ccc; padding: 5px; margin-bottom: 5px;">  </div> <p>Address: Willmar, MN</p> <p>Service Point ID:</p> <p>Latitude: 45.11088°</p> <p>Longitude: -95.05313°</p> <p>Time Zone: America/Chicago/CST</p> <hr/> <p><b>Groups</b> <a href="#">Add Device to Group</a></p> <p style="text-align: center; background-color: #fff9c4; padding: 5px;">There are no groups associated with this device</p> <hr/> <p><b>Tags</b> <a href="#">Add a Tag</a></p> <p style="text-align: center; background-color: #fff9c4; padding: 5px;">There are no tags associated with this device</p> <hr/> <p><b>Post Note</b></p>
--	---	--

# RNI view of Smart Gateway pressure sensor data

**SENSUS** Willmar Municipal Utilities > Manage Water Welcome **robR** [System Settings](#) [Launch Pad](#) [Help](#) [Log Out](#)

Dashboard Alerts Reports **Devices** Groups System Intelligence

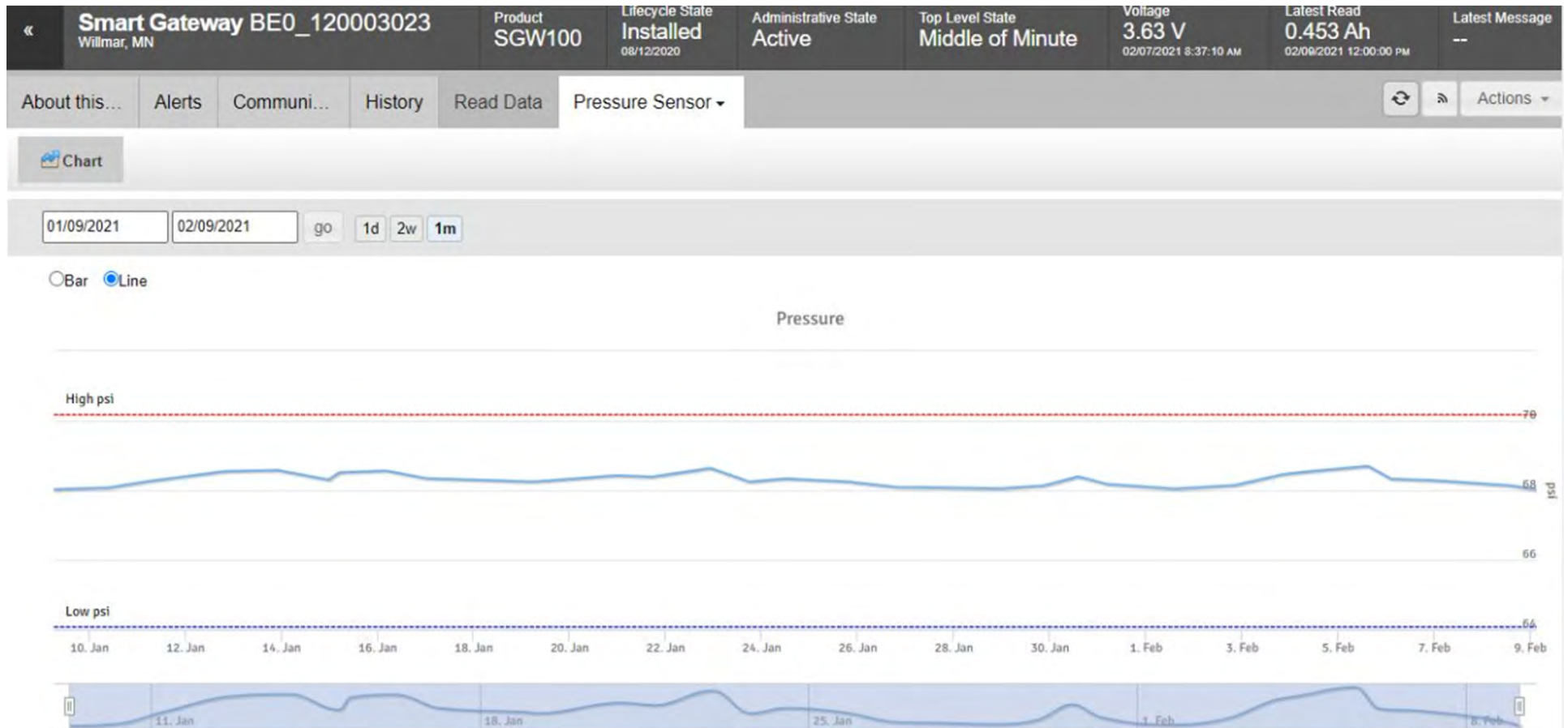
« **Smart Gateway BE0\_120003023** Willmar, MN
Product **SGW100**
Lifecycle State **Installed**  
08/12/2020
Administrative State **Active**
Top Level State **Middle of Minute**
Voltage **3.63 V**  
02/07/2021 8:37:10 AM
Latest Read **0.453 Ah**  
02/09/2021 12:00:00 PM
Latest Message **--**

About this... Alerts Communi... History Read Data **Pressure Sensor**

« Yesterday **Today : February 9, 2021** Export  CSV

Time (CST)	Pressure (psi) Channel 1
12:00 PM	66.22
11:45 AM	66.37
11:30 AM	66.37
11:15 AM	66.52
11:00 AM	66.67
10:45 AM	66.67
10:30 AM	66.82
10:15 AM	66.82
10:00 AM	66.95
9:45 AM	67.10
9:30 AM	67.10

# RNI view of Smart Gateway pressure sensor graph



# VantagePoint Lighting

## **Solution includes:**

- VantagePoint Lighting Control Module
- VantagePoint Lighting Software
- Leverages FlexNet® communication network
- Enables monitoring and control of street lights, area lights and security lights
- Enables recurring energy and maintenance savings
- An opportunity to improve customer satisfaction
- Enhances public safety
- Feature-rich and intuitive user interface

# Security

# Data Center Highlights

- **Physical Security**

- 24x7x365 on-site staffed technicians and security personnel with a dedicated guard room protected by ballistics rated glass
- Electronic badge card key and pin access
- Motion activated digital security cameras (interior and exterior)
- Biometric authentication readers on Data Center access doors through a mantrap entrance

- **Fire Detection & Suppression**

- Multiple zone dry-pipe pre-action fire suppression system
- Incipient early warning fire detection system
- Data Center safe fire extinguishers

- **Environmental Design**

- Zoned N +1 design – 900 tons of datacenter cooling
- Redundant 630 ton EVAPCO Cooling Towers
- Redundant 450 ton McQuay Chillers
- DataAire and Stulz CRAC units

- **SAS-70 Type II , SSAE 16 Type 1 Certified**

- The State on Auditing Standards No. 70 (SAS 70) Type II certificates were awarded to data centers that adhere to the industry's strictest criteria. [SSAE 16](#) replaces SAS 70 As Reporting Standard.



# Software

# Sensus Analytics

SENSUSANALYTICS

svage WATER

todd.bredesen@coreandmain.com | Logout | 

## Access



Admin



Alert  
Manager



Billing  
Access



Device  
Access



Report  
Access

## Insight



Alarm  
Insight



Files  
Dashboard



Meter  
Insight


# Software Demonstration

## Savage, MN

# Sensus Analytics

SENSUSANALYTICS

svage WATER

todd.bredesen@coreandmain.com | Logout | 

Meter Insight

Billing Cycle: All Cycles

YESTERDAY TODAY

03/19/2020

Apply

Device Group: All Groups

Meter Insight was last updated at 10:04 AM on March 19, 2020

10060

Active Meters ⓘ

0

Orphaned Meters ⓘ

0

Inactive Device Usage ⓘ 

1

Stale ⓘ 

0

Almost Stale ⓘ 

2

No Read Available ⓘ

771

Max Threshold Exceptions ⓘ

776

Min Threshold Exceptions ⓘ

0

Unknown Radio ⓘ

07/01/2018 09/30/2018   Only Active Customer Name  

Device Number	83226630	Account Number	030256000
Device Type	Meter	Customer Name	Ross Bredesen
Meter Type	Water	Parent	Unspecified
Radio ID	87799440	Location	9258 Woodridge Way Savage MN 55378
Status	Active	Latest Read	317793 GAL 03/19/20 01:00 PM
Product Type	Unspecified		

- [Data](#)
- [Alarms 1](#)
- [Watch Me](#)
- [Map](#)
- [Details](#)
- [Actions](#)
- [Add/Remove Groups](#)

Data Type

Interval

Consumption from 07/01/2018 to 09/30/2018:  
DeliveredGallons: 57690.0000

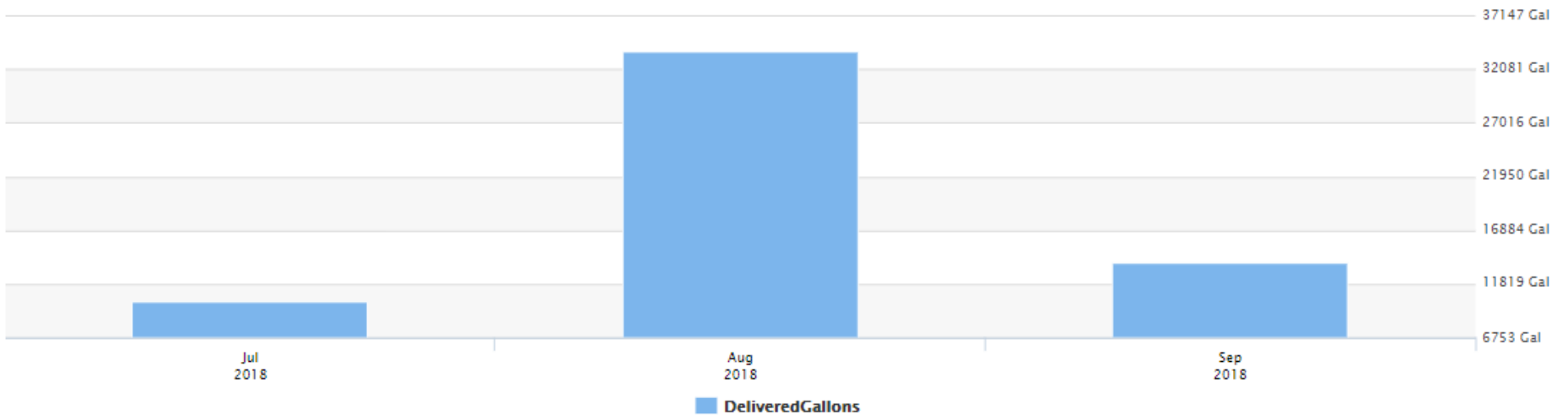
Date Range Detail Level

- Monthly
- Weekly
- Daily
- Hourly
- Graph
- Table

View Type

[Print All Graphs](#)

[Download](#)



07/01/2018 09/30/2018   Only Active Customer Name  

Device Number	83226630	Account Number	030256000
Device Type	Meter	Customer Name	Ross Bredesen
Meter Type	Water	Parent	Unspecified
Radio ID	87799440	Location	9258 Woodridge Way Savage MN 55378
Status	Active	Latest Read	317793 GAL 03/19/20 01:00 PM
Product Type	Unspecified		

- [Data](#)
- [Alarms 1](#)
- [Watch Me](#)
- [Map](#)
- [Details](#)
- [Actions](#)
- [Add/Remove Groups](#)

Data Type

Interval 

Consumption from 07/01/2018 to 09/30/2018:  
DeliveredGallons: 33770.0000

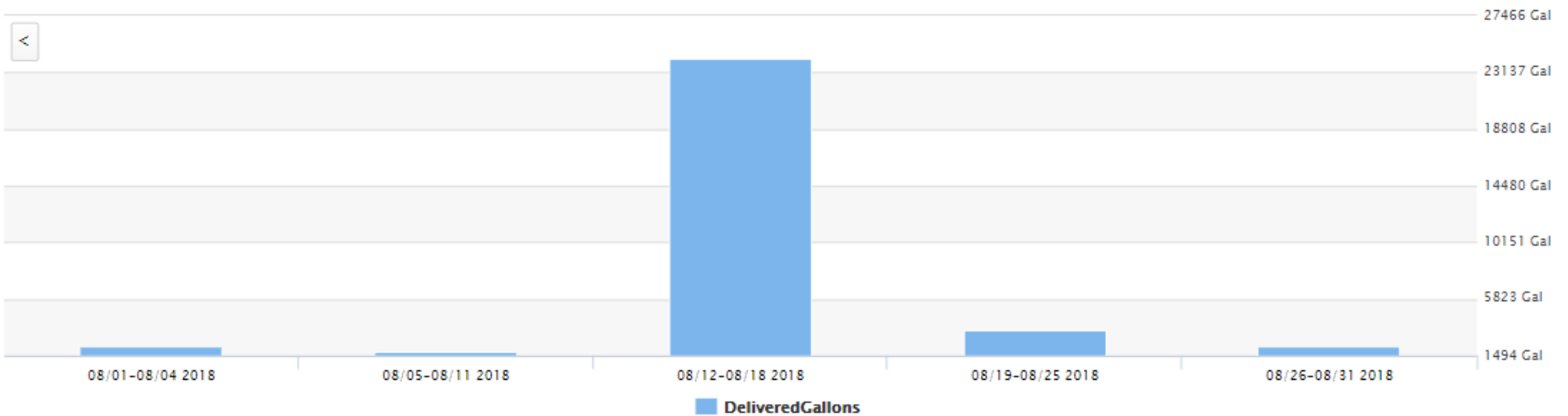
Date Range Detail Level

- Monthly
- Weekly
- Daily
- Hourly
- Graph
- Table

View Type

Print All Graphs

Download



07/01/2018

09/30/2018



Only Active

Customer Name



Device Number	83226630	Account Number	030256000
Device Type	Meter	Customer Name	Ross Bredesen
Meter Type	Water	Parent	Unspecified
Radio ID	87799440	Location	9258 Woodridge Way Savage MN 55378
Status	Active	Latest Read	317793 GAL 03/19/20 01:00 PM
Product Type	Unspecified		

- Data
- Alarms 1
- Watch Me
- Map
- Details
- Actions
- Add/Remove Groups

Data Type

Interval ▼

Consumption from 07/01/2018 to 09/30/2018:  
DeliveredGallons: 24240.0000

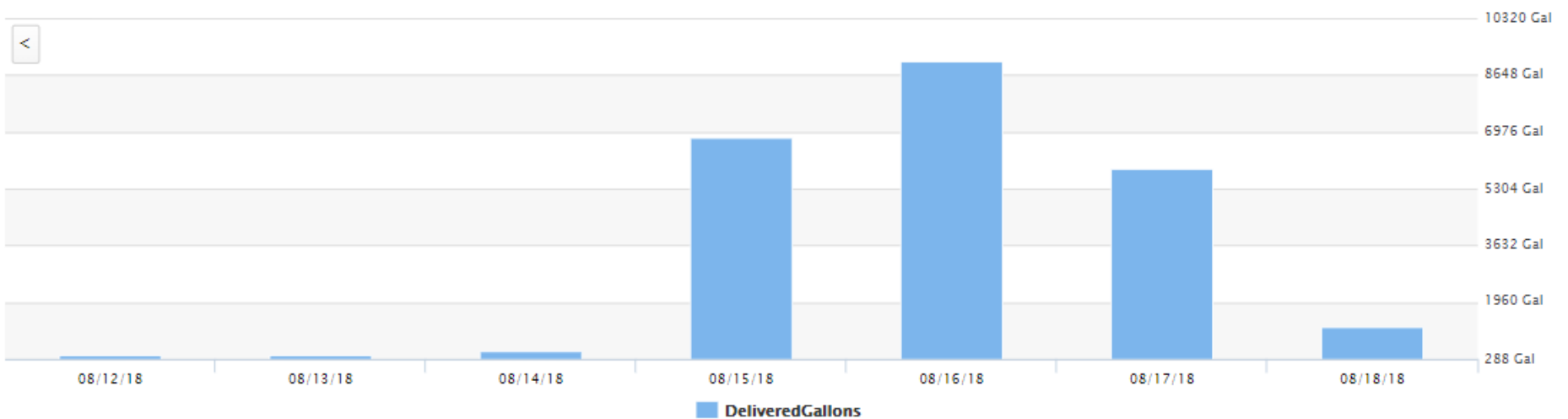
Date Range Detail Level

- Monthly
- Weekly
- Daily
- Hourly
- Graph
- Table

View Type

Print All Graphs

Download



07/01/2018 09/30/2018  Only Active Customer Name

Device Number	83226630	Account Number	030256000
Device Type	Meter	Customer Name	Ross Bredesen
Meter Type	Water	Parent	Unspecified
Radio ID	87799440	Location	9258 Woodridge Way Savage MN 55378
Status	Active	Latest Read	317793 GAL 03/19/20 01:00 PM
Product Type	Unspecified		

- Data 1
- Alarms
- Watch Me
- Map
- Details
- Actions
- Add/Remove Groups

Data Type

Interval

Consumption from 07/01/2018 to 09/30/2018:  
DeliveredGallons: 6820.0000

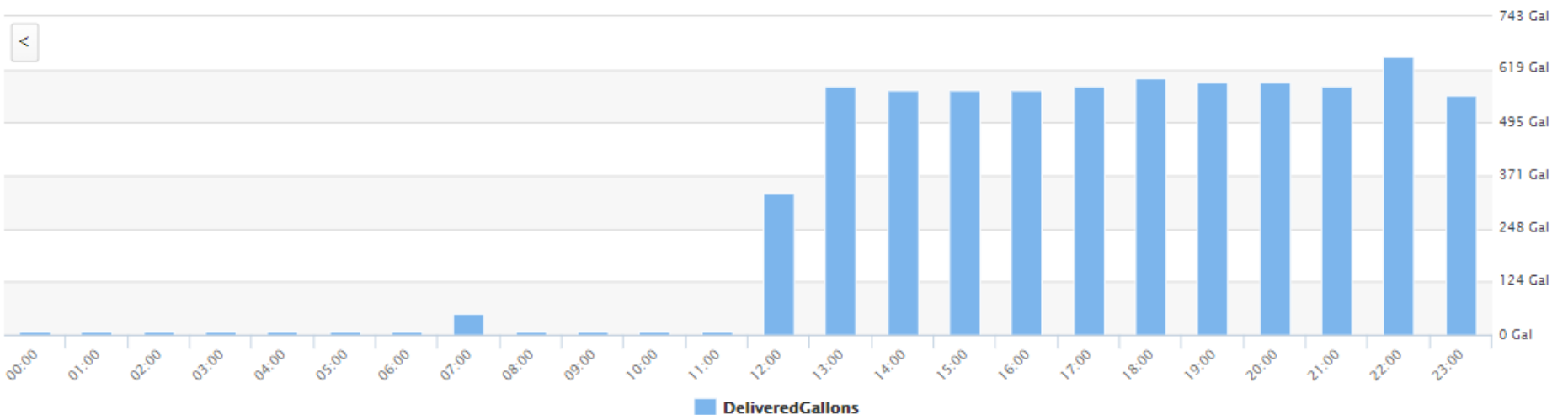
Date Range Detail Level

- Monthly
- Weekly
- Daily
- Hourly
- Graph
- Table

View Type

Print All Graphs

Download



# West Fargo, ND

## 'That's more than our mortgage.': Sneaky leak leaves WF family with expensive water bill

Phone: 701-515-5000

Customer Name: YONDON BLAY

Service Address: [REDACTED]

Account #: 06003384-00

Monthly Water Usage in Gallons: 281,831

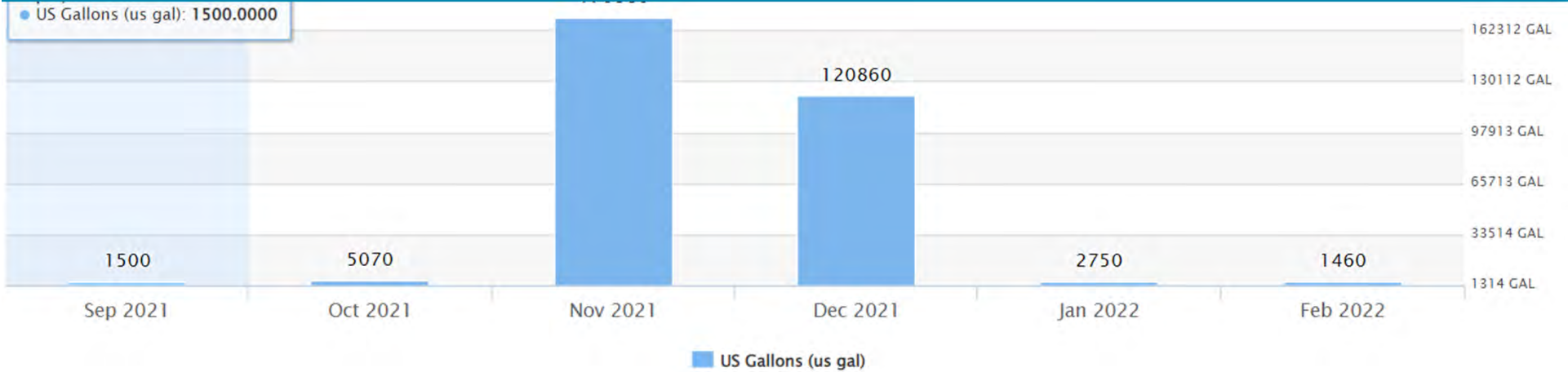
Current Reading	Services	Usage in 1,000's	Current Charges	Past Due Charges	Total Due
12/16/2021 296927	WATER BASE WATER USAGE	281.83	7.25 31.02	0.00 0.00	7.25 431.02
Previous Reading	FORESTRY SEWER BASE SEWER USAGE	281	2.00 0.00	0.00 0.00	2.00 9.00
11/22/2021 15096	GARBAGE VECTOR CONTROL		0.00 0.00	0.00 0.00	17.50 1.00
Current Month's Water Usage		281,831			

Current Due: 2,499.77

KVLY 11 -1° 5:59

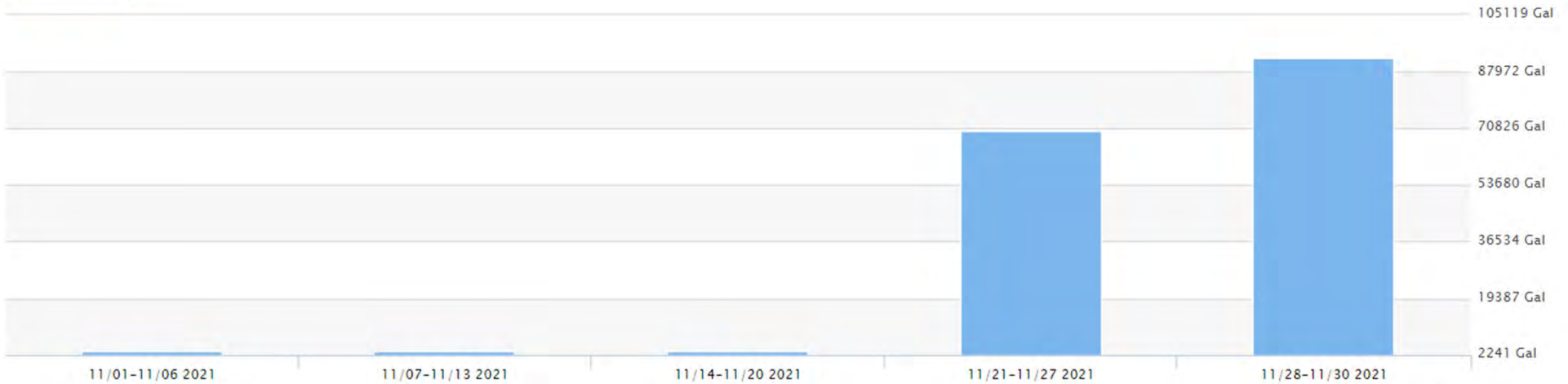
<https://www.valleynewslive.com/2022/01/10/thats-more-than-our-mortgage-sneaky-leak-leaves-wf-family-with-expensive-water-bill/>

# West Fargo, ND



## Volume (Gal)

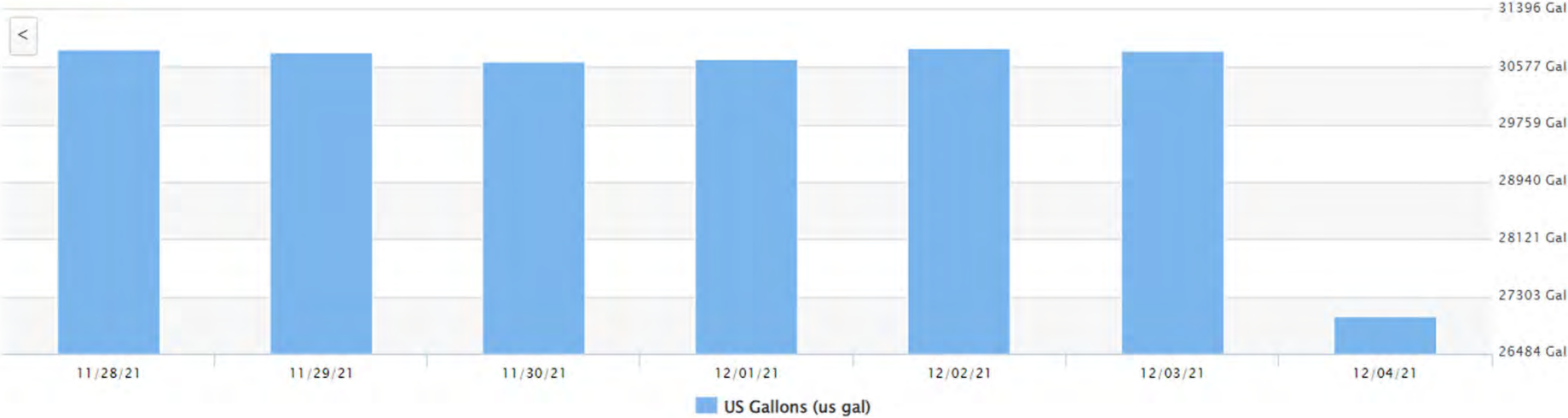
Download



# West Fargo, ND

Volume (Gal)

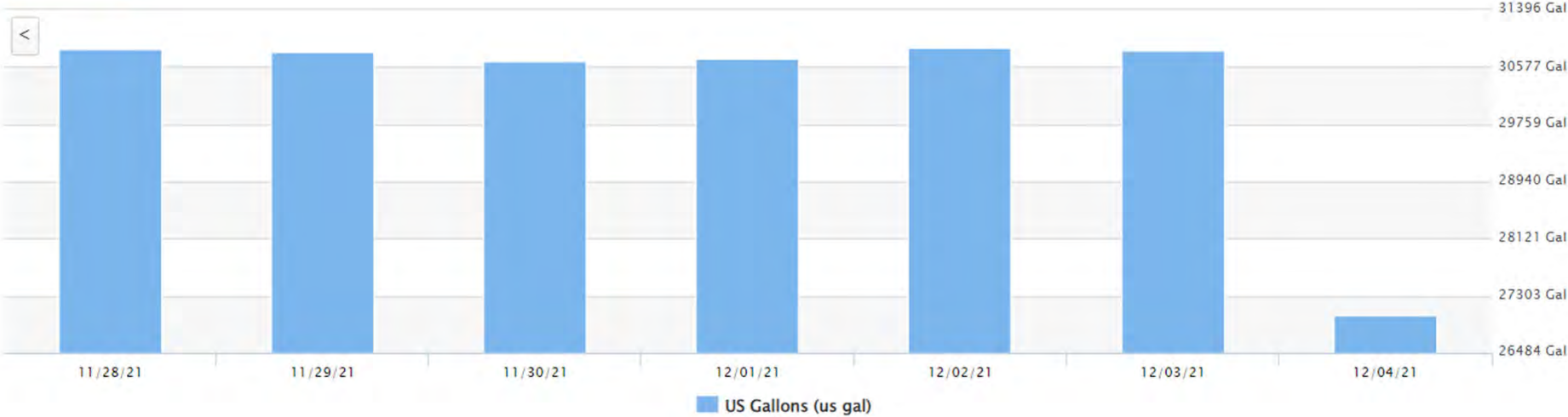
Download



# West Fargo, ND

Volume (Gal)

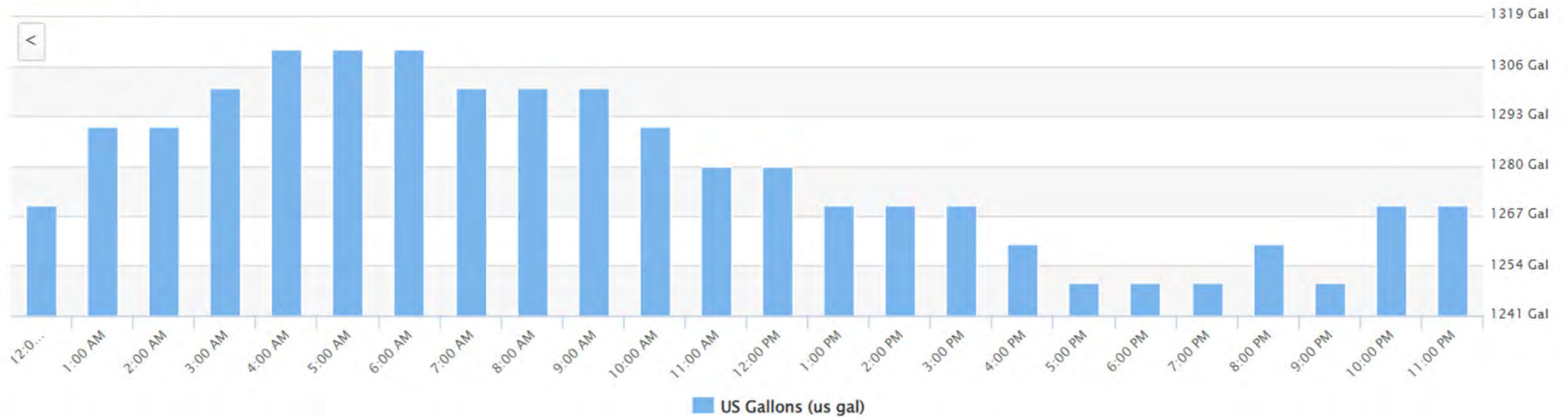
Download



# West Fargo, ND

Volume (Gal)

Download



Approximately 20 – 21.5 gallons / minute!

# West Fargo, ND

Data **Alarms** Watch Me Map Details Actions Add/Remove Groups

Copy Print CSV Excel PDF

Show 100 entries

Alarms	Event Time
Continuous Flow	12/04/21 08:10:00 AM CST
Continuous Flow	12/03/21 10:52:00 PM CST
Continuous Flow	11/27/21 09:38:00 PM CST
Continuous Flow	11/27/21 11:50:00 AM CST
Continuous Flow	11/26/21 06:00:00 PM CST
Continuous Flow	11/26/21 05:00:00 PM CST

Approximately 20 – 21.5 gallons / minute!



# Sensus Analytics

SENSUSANALYTICS      wfnD WATER      todd.bredesen@coreandmain.com | Logout

05/01/2021    06/13/2022    12-Month View    Only Active    Customer Name

Device Number	90503658	Account Number	06003384-00
Device Type	Motor	Customer Name	BLAY NYONDON
Meter Type	Water	Parent	Unspecified
Radio ID	55446348	Location	2728 11 St W West Fargo ND 58078
Status	Active	Lastest Read	311245 GAL 06/13/22 10:00:00 AM CDT
Product Type	Unspecified		

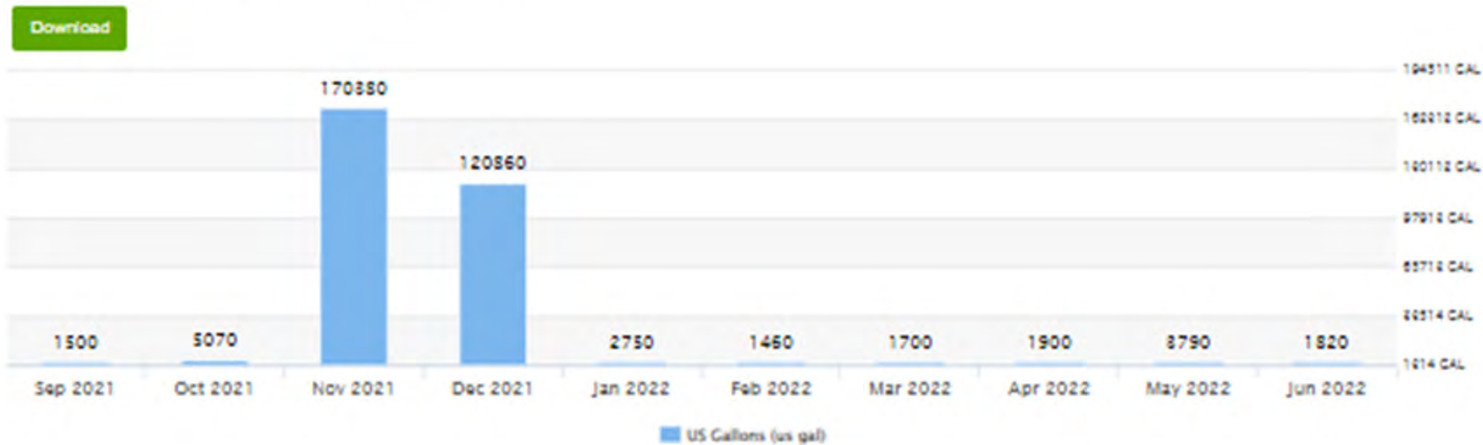
[Customer Portal](#)

Data   Alarms   Watch Me   Map   Details   Actions   Add/Remove Groups

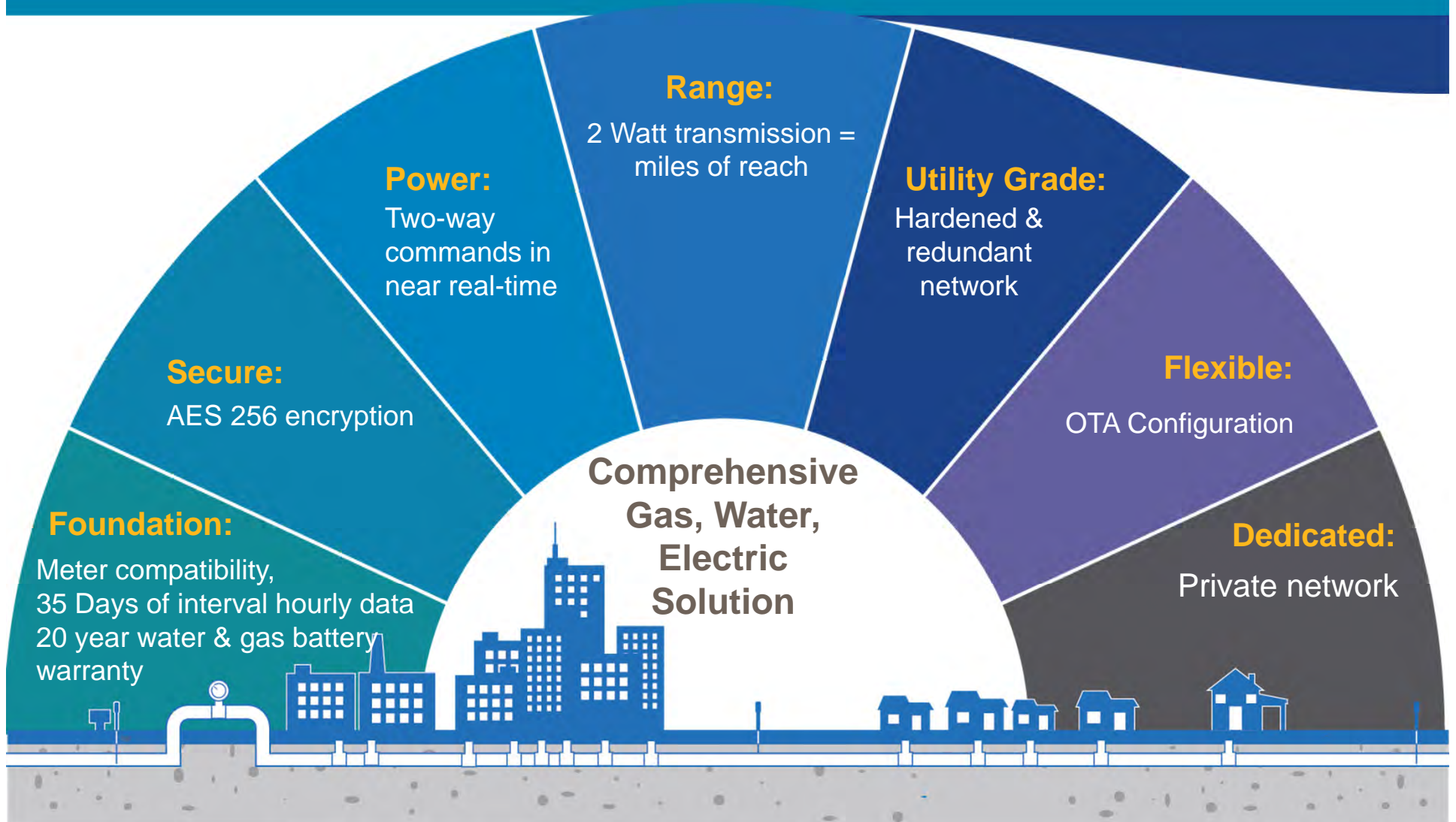
Data Type: Interval    Consumption from 05/01/2021 to 06/13/2022: US Gallons (us gal): 30880.0000    Date Range Detail Level: Hourly    View Type:  Graph  Table

[Print All Graphs](#)

## Consumption Overview - Volume (Gal)



# Secure, Reliable, Flexible Platform



# Thank You!

## Village of Somers





**VILLAGE OF SOMERS  
VILLAGE BOARD  
WORK SESSION ITEM MEMORANDUM**

---

**WORK SESSION:** November 7<sup>th</sup>, 2023

**TO:** Village President Stoner and Board of Trustees

**PREPARED BY:** Jason J. Peters, Administrator

**AGENDA ITEM:** #7 Review of 2023 interest income earnings

---

**BACKGROUND:**

At our October 10<sup>th</sup> Board Meeting, Trustee Ostby requested that a future Work Session that the Board be provided with an update on interest income earnings thus far in 2023.

**COMMENTS:**

Accounting Manager Ealy has prepared the attached spreadsheets which break down the earning by account and the percentage each fund receives. The first spreadsheet shows the totals and percentages. The second spreadsheet further breaks down the interest earned by month.

**ATTACHMENTS:**

Totals and Percentages

Earning by Month

<b>Funds:</b>	<b>Account Name:</b>	<b>Totals:</b>	<b>Percentage:</b>
101-10000-10001	TRI-CITY CHECKING (General Fund)	\$505,887.65	
101-10000-10030	LGIP - VILLAGE (General Fund)	\$144,708.06	
101-10000-10032	LGIP - TOWN (General Fund)	\$15,098.05	
<b>Interest allocation below:</b>		<b>TOTAL INTEREST INCOME</b>	<b>\$665,693.76</b>
101-10000-10001	<b>TOTAL GF for TriCity Checking / LGIP-Village-Town</b>	<b>\$321,904.97</b>	<b>48.36%</b>
302-10000-10001	TRI-CITY CHECKING (TID #1 Debt Service Fund)	\$134,983.58	20.28%
302-10000-10020	RESTRICTED CASH (TID #1 Debt Service Fund)	\$7,762.76	1.17%
303-10000-10001	TRI-CITY CHECKING (TID #2 Debt Service Fund)	\$134,560.81	20.21%
303-10000-10020	RESTRICTED CASH (TID #2 Debt Service Fund)	\$12,649.21	1.90%
402-10000-10001	TRI-CITY CHECKING (Tax Incremental District #1)	\$45,123.03	6.78%
403-10000-10001	TRI-CITY CHECKING (Tax Incremental District #2)	-\$35.41	-0.01%
411-10000-10001	TRI-CITY CHECKING (Tax Incremental District #10)	\$852.67	0.13%
601-10000-10020	RESTRICTED CASH (Somers Water Utility)	\$3,105.49	0.47%
603-10000-10020	RESTRICTED CASH (Utility District #1)	\$4,786.64	0.72%
		<b>TOTAL</b>	<b>\$665,693.76</b>
<b>5,000,000,000 investment interest breakout below</b>		<b>VARIANCE</b>	<b>\$0.00</b>
101-10000-10040	PERSHING INVESTMENT (General Fund)	\$33,178.24	38.70%
302-10000-10050	PERSHING INVESTMENT-RESTRICTED (TID #1 Debt Srvc)	\$24,930.81	29.08%
303-10000-10050	PERSHING INVESTMENT-RESTRICTED (TID #2 Debt Srvc)	\$18,115.14	21.13%
402-10000-10040	PERSHING INVESTMENT (Tax Incremental District #1)	\$7,604.42	8.87%
601-10000-10050	PERSHING INVESTMENT-RESTRICTED (Somers Water UT)	\$754.43	0.88%
603-10000-10050	PERSHING INVESTMENT-RESTRICTED (UT District #1)	\$1,148.82	1.34%
<b>(not including Dec 2022)</b>		<b>TOTAL FOR PERSHING INVESTMENT</b>	<b>\$85,731.86</b>
<b>Accrued Interest</b>			
		<b>2023</b>	<b>YEAR TOTAL</b>
101-48000-48110 GF		14,851.35	38.70%
302-48000-48110		11,159.62	29.08%
303-48000-48110		8,108.76	21.13%
402-48000-48110		3,403.91	8.87%
601-48000-48110		337.71	0.88%
603-48000-48110		514.23	1.34%
TOTAL		<b>38,375.59</b>	<b>100.00%</b>

Funds:	Account Name:	Totals:	Percentage:	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23
101-10000-10001	TRI-CITY CHECKING (General Fund)	\$505,887.65		\$67,119.74	\$56,868.89	\$57,254.87	\$56,305.43	\$49,307.82	\$45,710.07	\$52,249.08	\$59,888.23	\$61,183.52
101-10000-10030	LGIP - VILLAGE (General Fund)	\$144,708.06		\$14,636.72	\$14,134.99	\$15,973.44	\$15,977.09	\$16,315.53	\$16,094.59	\$16,913.54	\$17,516.75	\$17,145.41
101-10000-10032	LGIP - TOWN (General Fund)	\$15,098.05		\$1,427.58	\$1,379.54	\$1,560.93	\$1,600.12	\$1,749.17	\$1,725.48	\$1,843.23	\$1,926.42	\$1,885.58
<b>Interest allocation below:</b>		<b>TOTAL INTEREST INCOME</b>	<b>\$665,693.76</b>									
101-10000-10001	<b>TOTAL GF for TriCity Checking / LGIP-Village-Town</b>		<b>\$321,904.97</b>	<b>48.36%</b>								
302-10000-10001	TRI-CITY CHECKING (TID #1 Debt Service Fund)	\$134,983.58	20.28%	\$16,817.30	\$15,201.93	\$16,571.57	\$14,203.52	\$14,010.59	\$13,929.42	\$13,002.57	\$18,267.58	\$12,979.10
302-10000-10020	RESTRICTED CASH (TID #1 Debt Service Fund)	\$7,762.76	1.17%	\$809.39	\$802.34	\$864.09	\$881.85	\$866.23	\$852.49	\$788.45	\$1,114.63	\$783.29
303-10000-10001	TRI-CITY CHECKING (TID #2 Debt Service Fund)	\$134,560.81	20.21%	\$15,852.58	\$15,840.97	\$17,274.56	\$16,704.49	\$13,288.73	\$13,219.96	\$12,338.63	\$17,570.93	\$12,469.97
303-10000-10020	RESTRICTED CASH (TID #2 Debt Service Fund)	\$12,649.21	1.90%	\$1,316.28	\$1,306.47	\$1,413.31	\$1,438.42	\$1,404.34	\$1,388.19	\$1,286.42	\$1,819.02	\$1,276.76
402-10000-10001	TRI-CITY CHECKING (Tax Incremental District #1)	\$45,123.03	6.78%	\$3,450.12	\$3,429.49	\$3,720.00	\$5,818.74	\$5,551.74	\$5,512.28	\$5,124.95	\$7,322.51	\$5,193.21
403-10000-10001	TRI-CITY CHECKING (Tax Incremental District #2)	-\$35.41	-0.01%	\$0.00	-\$14.20	-\$14.65	\$0.00	-\$6.56	\$0.00	\$0.00	\$0.00	\$0.00
411-10000-10001	TRI-CITY CHECKING (Tax Incremental District #10)	\$852.67	0.13%	\$81.76	\$85.20	\$87.87	\$86.74	\$85.31	\$84.68	\$76.08	\$108.37	\$156.66
601-10000-10020	RESTRICTED CASH (Somers Water Utility)	\$3,105.49	0.47%	\$318.85	\$319.52	\$344.17	\$354.18	\$347.80	\$340.55	\$318.15	\$448.95	\$313.32
603-10000-10020	RESTRICTED CASH (Utility District #1)	\$4,786.64	0.72%	\$498.71	\$489.93	\$534.57	\$542.12	\$531.55	\$523.25	\$484.14	\$688.90	\$493.47
<b>TOTAL</b>		<b>\$665,693.76</b>	<b>100.00%</b>									
<b>5,000,000,000 investment interest breakout below</b>		<b>VARIANCE</b>	<b>\$0.00</b>									
101-10000-10040	PERSHING INVESTMENT (General Fund)	\$33,178.24	38.70%	\$3,599.22	\$18.08	\$19.60	\$2,687.27	\$4,959.03	\$23.95	\$21,779.44	\$46.73	\$44.92
302-10000-10050	PERSHING INVESTMENT-RESTRICTED (TID #1 Debt Srvc)	\$24,930.81	29.08%	\$2,704.53	\$13.58	\$14.73	\$2,019.27	\$3,726.32	\$17.99	\$16,365.53	\$35.11	\$33.75
303-10000-10050	PERSHING INVESTMENT-RESTRICTED (TID #2 Debt Srvc)	\$18,115.14	21.13%	\$1,965.16	\$9.87	\$10.70	\$1,467.23	\$2,707.61	\$13.08	\$11,891.46	\$25.51	\$24.52
402-10000-10040	PERSHING INVESTMENT (Tax Incremental District #1)	\$7,604.42	8.87%	\$824.94	\$4.14	\$4.49	\$615.92	\$1,136.61	\$5.49	\$4,991.83	\$10.71	\$10.29
601-10000-10050	PERSHING INVESTMENT-RESTRICTED (Somers Water UT)	\$754.43	0.88%	\$81.84	\$0.41	\$0.45	\$61.11	\$112.76	\$0.54	\$495.24	\$1.06	\$1.02
603-10000-10050	PERSHING INVESTMENT-RESTRICTED (UT District #1)	\$1,148.82	1.34%	\$124.62	\$0.63	\$0.68	\$93.05	\$171.71	\$0.83	\$754.12	\$1.62	\$1.56
<b>(not including Dec 2022)</b>		<b>TOTAL FOR PERSHING INVESTMENT</b>	<b>\$85,731.86</b>	<b>100.00%</b>								
<b>Accrued Interest</b>												
		<b>2023</b>	<b>YEAR TOTAL</b>									
101-48000-48110 GF		14,851.35	38.70%									
302-48000-48110		11,159.62	29.08%									
303-48000-48110		8,108.76	21.13%									
402-48000-48110		3,403.91	8.87%									
601-48000-48110		337.71	0.88%									
603-48000-48110		514.23	1.34%									
<b>TOTAL</b>		<b>38,375.59</b>	<b>100.00%</b>									

**VILLAGE OF SOMERS  
VILLAGE BOARD  
WORK SESSION ITEM MEMORANDUM**

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**WORK SESSION:** November 7<sup>th</sup>, 2023

**TO:** Village President Stoner and Board of Trustees

**PREPARED BY:** Jason J. Peters, Administrator

**AGENDA ITEM:** #8 Continued discussion possible Resolution to rescind 2022-003 and support the reopening of the North Bound left turn lane from STH 31 to 35<sup>th</sup> Street

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**BACKGROUND:**

In 2022, the Village passed Resolution 2022-003. This Resolution was in response to increases in crashes at the North Bound left turn lane from STH 31 to 35<sup>th</sup> Street. The crashes involved vehicles heading south bound, striking north bound vehicles crossing west to 35<sup>th</sup> Street. After this Resolution was submitted to the DOT, the north bound left turn lane was “shut off”.

At our July 5<sup>th</sup> Work Session, the Board received an update from Administrator Peters regarding possible work the DOT was considering at this intersection. The DOT had informed the Village that they had completed a Highway Safety Inspection Program (HISP) Application. This document states that the DOT is considering permanently closing this left turn. On June 6<sup>th</sup>, Administrator Peters and President Stoner met with two DOT engineers to inquire about the possibility of traffic lights being installed at this crossing, as opposed to a permanent closure.

President Stoner and Administrator Peters met with representatives from DOT and the City of Kenosha on June 22<sup>nd</sup> to further discuss the possibility of traffic lights. The DOT seemed open to studying the matter and will be getting back to the Village as to what avenues can be explored.

On September 28<sup>th</sup>, President Stoner and Administration held a meeting with the DOT, City of Kenosha, and Kenosha County to discuss DOT’s further findings regarding the crossing. The DOT has concluded that the design of the crossing was not the complete cause of the fatal accidents. The main factors of the crashes were speed, alcohol and drugs. Administration was provided with crash reports for these incidents. Based on these findings the DOT is willing to halt their HISP application and reopen of the North Bound left turn lane from STH 31 to 35<sup>th</sup> Street. The DOT also discussed the option of

changing the signal patterns a STH 31 and 31<sup>st</sup> Street. The City, County and Village also discussed whether an increase in law enforcement presence in this area due to the beforementioned “main factors.”

On October 9<sup>th</sup>, President Stoner and Administration met with the Sheriff’s department to discuss the possible reopening of this crossing. If this crossing were to reopen, we informed the Sheriff’s department that increased enforcement in this area would be requested.

UPDATE:

President Stoner has requested this matter be placed on our October 17<sup>th</sup> Work Session agenda to discuss whether the Board would be supportive of taking action on a Resolution to rescind 2022-003 and support the reopening of the crossing in question. During this Work Session, the Board discussed the pros and cons of re-opening the crossing. At that time, no clear direction was given, and the Board requested that this matter be brought to our November 7<sup>th</sup> Work Session for additional discussion.

COMMENT:

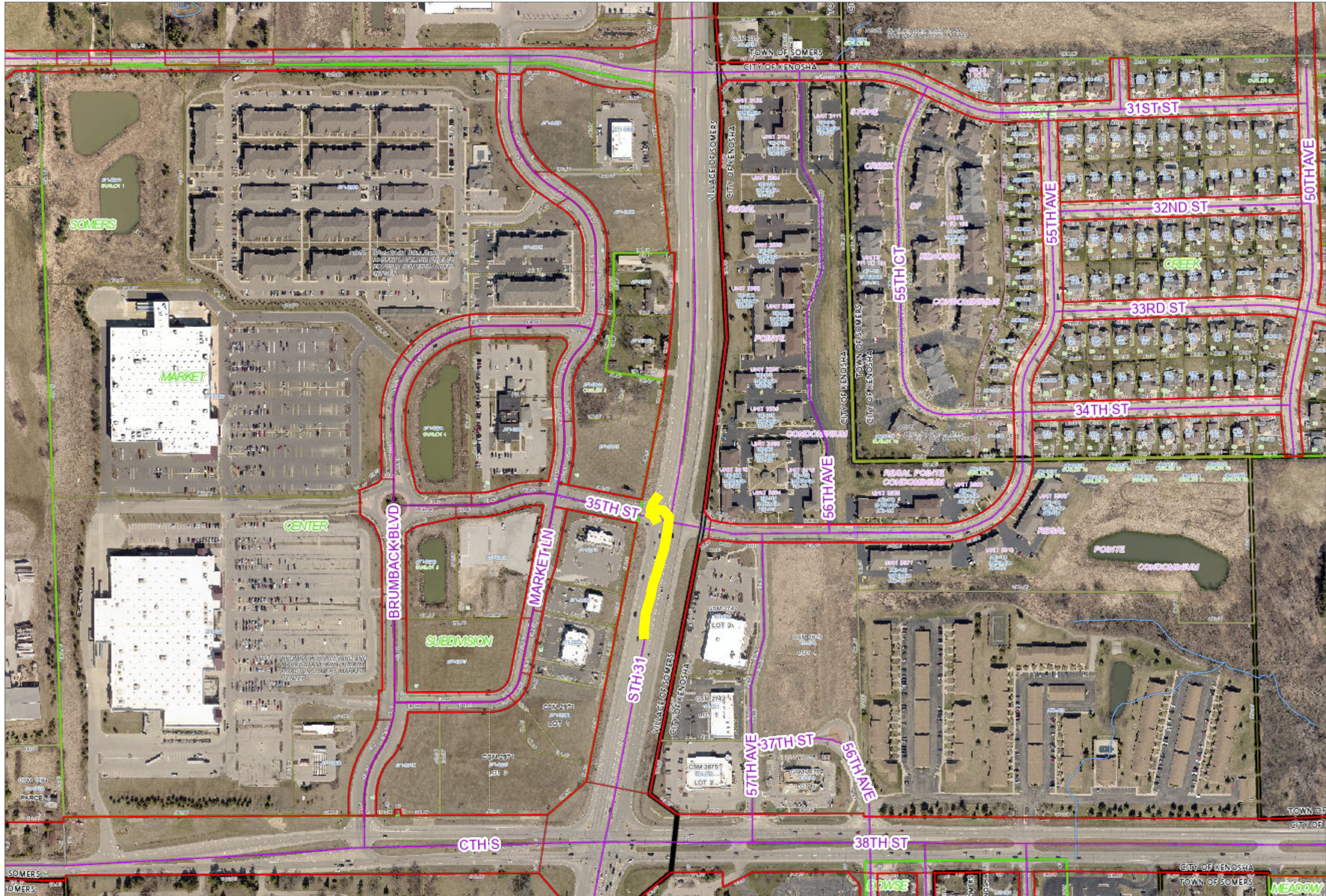
Based on our discussion the DOT engineers indicated that because the HSIP application had been filed, the Village would need to rescind the Resolution for the DOT to reopen the North Bound left turn lane from STH 31 to 35<sup>th</sup> Street. If the Board wishes to take action, the proposed Resolution will need to be placed on our Board Meeting Agenda on November 14<sup>th</sup>.

ATTACHMENTS:

Map

Proposed Resolution 2022-003

Proposed Resolution 223-0XX



1:3,831

RESOLUTION 2022-003

A RESOLUTION OF THE VILLAGE BOARD OF TRUSTEES OF THE VILLAGE OF SOMERS SUPPORTING THE WISCONSIN DEPARTMENT OF TRANSPORTATION ELIMINATING THE NORTH BOUND LEFT TURN LANE FROM STH 31 TO 35<sup>TH</sup> STREET

WHEREAS, State Highway 31 traverses the Village of Somers: and

WHEREAS, Recent crash data indicates that the North Bound left turn lane from STH 31 on 35<sup>th</sup> Street has experienced an unacceptable volume of high severity crashes.

WHEREAS, In the interest of public safety the Department of Transportation is proposing to eliminate the above referenced turn lane; and

WHEREAS, Representatives from the Department of Transportations' analysis of recent crashes indicates that the best solution to improve safety at this North bound movement is to eliminate the above referenced turn lane; and

WHEREAS, In the interest of public safety the Village Board of Trustees of the Village of Somers supports the elimination of the above referenced turn lane.

NOW, THEREFORE, BE IT RESOLVED by the Village Board of Trustees of the Village of Somers that in the interest of public safety, they support the Department of Transportation's proposal to the eliminate the west bound turn lane from STH 31 to 35<sup>th</sup> Street.

Dated at Somers, Wisconsin, this 25<sup>th</sup> day of January, 2022.



VILLAGE OF SOMERS

By: George Stoner

George Stoner, President

Attest: Mary Ann Cole

Mary Ann Cole, Clerk/Treasurer

RESOLUTION 2023-0XX

A RESOLUTION OF THE VILLAGE BOARD OF TRUSTEES OF THE VILLAGE OF SOMERS TO RESCIND PREVIOUS RESOLUTION 2022-003 WHICH SUPPORTED A REQUEST TO THE WISCONSIN DEPARTMENT OF TRANSPORTATION TO ELIMINATE THE NORTH BOUND LEFT TURN LANE FROM STH 31 TO 35<sup>th</sup> STREET AND TO REQUEST THAT SAID NORTH BOUND TURN LANE BE RE-OPENED

WHEREAS, State Highway 31 traverses the Village of Somers from North to South: and

WHEREAS, in January of 2022, the Village of Somers Board of Trustees passed Resolution 2022-003 in response to crashes at the North Bound left turn lane from STH 31 to 35<sup>th</sup> Street; and

WHEREAS, the above-mentioned Resolution 2022-003 requested that the Department of Transportation (herein referred to as “DOT”) eliminate said North Bound left turn lane; and

WHEREAS, in 2022, the DOT closed said North Bound left turn lane by placing traffic barriers to block access; and

WHEREAS, in July of 2023, the Village of Somers received word from the DOT that under a Highway Safety Inspection Program (HISP) Application they were considering permanent closing said North Bound left turn lane; and

WHEREAS, several businesses have reached to the Village Board of Trustees to express that the permanent closure of said North Bound turn lane has hurt the traffic flow to their locations; and

WHEREAS, based on this above referenced information, representatives from the Village of Somers, City of Kenosha, and Kenosha County met with DOT engineers to discuss other possible options, as opposed to a permanent closure; and

WHEREAS, the DOT has further studied the crashes at said North Bound left turn lane and have determined that high speed, lack of the use of seat belts, drugs and alcohol were the causes of the 2022 crashes; and

WHEREAS, the Village Board of Trustees believes the configuration of the road was not the main factor in these crashes with the main factor in these fatal accidents was excessive speed, the lack of seat belt use, the use of alcohol, and the use of drugs; and

WHEREAS, the Village of Board of Trustees encourages the DOT to continue to explore traffic calming options to avoid a permanent closure the said North Bound turn lane; and

NOW, THEREFORE, BE IT RESOLVED by the Village Board of Trustees of the Village of Somers supports DOT’s position to reopen the North Bound left turn lane from STH 31 to 35<sup>th</sup> Street.

Dated at Somers, Wisconsin, this \_\_\_\_\_ day of \_\_\_\_\_, 2023.

VILLAGE OF SOMERS

By: \_\_\_\_\_

George Stoner, President

Attest: \_\_\_\_\_

Brandi Baker, Clerk/Treasurer

**VILLAGE OF SOMERS  
VILLAGE BOARD  
WORK SESSION ITEM MEMORANDUM**

---

**WORK SESSION:** November 7<sup>th</sup>, 2023

**TO:** Village President Stoner and Board of Trustees

**PREPARED BY:** Jason J. Peters, Administrator

**AGENDA ITEM:** #9 Continued Discussion on possible Request for Proposals for needs assessment for Current and Future Facilities and Fire/EMS personnel

---

**BACKGROUND:**

Listed in the Village of Somers 2023 and Long-term Goals is following:

- Outline plans for remodeling or rebuilding Fire Station 2
- Consider long term plans for Fire Station 3

In February, Chief Andersen had Keller Construction come to a Work Session to present to the Board, as it pertains to the evaluation of needs, planning and designing of a fire station. At that time the Board was undecided on how they wanted to proceed. The discussion seemed to focus on a more holistic study as it pertains to the Village's needs.

Trustee Ostby has been in contact with a leading provider of Fire Facilities and personnel needs assessment studies. Administration, Chief Andersen and Trustee Ostby met on October 9<sup>th</sup> to review a sample proposal and discuss what else should be included.

At our October 17<sup>th</sup>, the Board discussed whether to move forward with a possible Request for Proposals for a needs-assessment for Current and Future Facilities and Fire/EMS personnel. At said Work Session, the Board requested that this item be brought to the next Work Session for further discussion.

**COMMENTS:**

If the Board wishes to move forward, Staff will prepare and publish a Request for Proposals. Once proposals are received, they will be brought to a future Work Session. An example of Request for Proposals is attached. McGrath has also provided an example of what a proposal would entail.

ATTACHMENTS:

Example of a Needs Assessment RFP

McGrath Example

Request for Proposal  
Fire Station Feasibility and Facility Study



**Request for Proposal (RFP)**  
**Fire Station Feasibility and Facilities Study**  
**May 20, 2021**

**CONTACT INFORMATION:**

Direct questions about this RFP to:  
Fire Chief Rob Glenn  
(989) 684-8504  
[firechief@bangortownship.org](mailto:firechief@bangortownship.org)

**PROCESS:**

May 20, 2021 – RFP issued  
June 03, 2021 @ 5:00 P.M. – RFP submittal deadline  
June 04, 2021 – RFPs opened  
June 08, 2021 @ 6:00 P.M. – RFP awarded  
June 09, 2021 – Contact winning company & schedule 1<sup>st</sup> meeting

Request for Proposal  
Fire Station Feasibility and Facility Study

**Overview**

The Charter Township of Bangor is accepting proposals from qualified consulting firms to conduct a feasibility study on the Bangor Township Fire Department. The purpose of the study is to provide a needs assessment of current and future Department space, staffing, operations, facilities, and an options analysis.

Sealed proposals will be received by Bangor Township, 180 State Park Drive, Bay City, Michigan, 48706, **Attn: Fire Chief Rob Glenn**, until 5:00 pm on May 31, 2021. The proposal package should include five (5) duplicates and one (1) digital PDF version on a USB thumb drive. Sealed proposal envelopes must be clearly marked on the outside "**Fire Department Feasibility and Facility Study.**"

The Bangor Township Board reserves the right to accept or reject any or all proposals and/or qualifications, to waive any irregularities, informalities, or defects in the documentation, to accept any proposal in whole or in part, which it shall deem to be in the best interest of Bangor Township, including bids that are not for the lowest amount, and to negotiate with the successful respondent. No bid may be withdrawn after the scheduled closing time for receiving bids for at least forty-five (45) days thereafter.

**About Bangor Township**

Bangor Township is located in Bay County, Michigan on the shores of the Saginaw Bay. Our residents and visitors can spend time in the natural beauty of the Saginaw Bay boating, fishing, or relaxing on the beach. Bangor Township also has two rivers, the Saginaw and Kawkawlin that are used heavily for recreation, with the Saginaw also receiving commercial traffic. If you like to walk, run, or bike, Bangor Township has miles of trails. Our clean and safe community also offers parks, retail stores, and quality K-12 schools. Multiple critical infrastructure operations, including sewage treatment and water department for Bay County are in Bangor Township. With all our development, there is still room for more.

Currently, Bangor Township has approximately 14,000 permanent residents. The median household income in Bangor Township is \$46,145, with a median home value of \$119,200.

Bangor is a Charter Township municipality that is governed by a seven member Board. All Board members are elected and serve a four-year term.

**Bangor Township Fire Department**

Bangor Township Fire Department is an all-hazards response agency providing fire, EMS, public assistance, prevention, education, hazardous materials, and water/technical rescue services. Currently our combination staffing model has 14 full-time and 14 paid-on-call firefighters, with nearly 90% of our members EMS trained. The Department also has an active mutual aid agreement (MABAS) with neighboring community fire departments in Bay County.

The Department has seen considerable growth in the total number of calls over the years. The calls for service have increased from 1,526 in 2006 to 2,339 in 2019, or a 53% increase in that timeframe.

**Department Needs Assessment**

Identify and document recommended current and anticipated future fire station number, size, and location(s) to include at minimum 3921 Wheeler, 1000 W. North Union, and 405 N. Euclid.

Evaluate and document current fire station spaces, identifying deficiencies and areas for improvement.

Identify and document recommended staffing for current and anticipated future service delivery.

Request for Proposal  
Fire Station Feasibility and Facility Study

Evaluate and recommend operational changes to increase safety, efficiency, and regulatory compliance.

**Facility Assessment**

Provide a general assessment of the existing fire stations:

- Review building envelope including roof, walls, doors, and windows.
- Review building interior elements (finishes, doors, casework, equipment, etc.).
- Review mechanical systems, evaluation of life expectancy, and system efficiency.
- Review electrical systems, including life expectancy, emergency power, and efficiency.

Make recommendations for replacement, repairs, or upgrades to systems. Evaluate systems for potential expansion/renovations.

Evaluate life safety and ADA for the station relative to current codes.

**Options Analysis**

Prepare conceptual floor plan, site plan and exterior elevation options to evaluate the following:

- Options for renovation/expansion.
- Options for replacement of station on current site.
- Options for a new station on new site(s).

Prepare budgetary estimates of probable costs for each option, including site improvements, building cost, and soft costs.

**Criteria for Selection and Submittal Requirements**

The purpose of this RFP process is to identify the most qualified team to provide the described services. A Statement of Qualifications submittal should be provided and clearly address the following criteria which, among others, will be used in the evaluation of qualifications:

- Firm's history including years in business, services offered, and location(s).
- Technical expertise of firm's current staff. The Project Manager shall be clearly identified.
- Identify key members of the team that will be involved in the project and indicate their role.
- Experience on fire station relevant projects previously completed, with references.
- Current knowledge of applicable codes and trends in fire station design.
- Project approach should include a description of methods by which the firm intends to use, along with a timetable for completing each element.
- Project management description should include the method of communication between the client and design team, cost analysis methodology, and schedule for completing each element.
- Provide the fee amount for the project scope of services.
- Provide any additional costs associated with recommended areas or items that are outside the project scope of work but could be beneficial to the overall project.
- Provide proof of insurance for all applicable scope of work areas.

Request for Proposal  
Fire Station Feasibility and Facility Study

RNG  
051121  
051820

# *Proposal*

*to conduct*

## **Current & Future Facilities, Needs Assessment**

*for the*



*Fire & Rescue Department*

**Submitted by**



**Revised October 2023**



*Offices*

**Jamestown, TN. Hanover Park, IL. Waukesha, WI. Strongsville, OH.**



September 27, 2023

Trustee Karl Ostby  
Village of Somers  
P.O. Box 197  
Somers, WI 53171

Trustee Ostby,

McGrath Consulting Group, Inc. is submitting a proposal to conduct a comprehensive Fire Department Current And Future Facilities Need Assessment for the Village and Town Somers Fire & Rescue Department. We are confident we can develop and provide a quality report that addresses the current and future facility needs for the Village & Town of Somers. This proposal outlines the project plan, methodology, consulting team assigned to this project, and other information.

Our understanding is that with the current population growth and corresponding service demands on the fire department, governing officials are seeking an independent professional consulting firm to conduct a station and resource deployment study. Currently, the Somers Fire & Rescue Department provides full-service protection to the Village and Town from two facilities. One of the facilities needs to be assessed to ensure that its current location and physical space is adequate to provide emergency and support services to the fire & rescue department. In addition, the consultants will address the need for a future additional satellite fire & rescue facility. The goal is to ensure continuation of the highest level of protection in the most cost-effective manner. All current facilities will be assessed by the consulting team.

McGrath Consulting Group, Inc. utilizes consultants who are highly skilled individuals with both educational credentials and work experiences in the areas outlined in this proposal. Our consultants have an extensive understanding of the fire and EMS service and utilize proven study methodologies. The culmination is a document that addresses current and future needs for fire station layout and locations.

We understand the importance of this project and look forward to the opportunity of working with Village and Town officials, fire department leadership, and other identified stakeholders. We have conducted a number of station location, staffing and operational studies throughout many states and are eager to learn about the opportunities for our firm to work with Somers Wisconsin.

Sincerely,

*Tim McGrath Ph. D.*

Dr. Tim McGrath CEO

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## Firm Profile

McGrath Consulting Group, Inc. is an organization that specializes in public sector consulting predominately in the fields of fire, emergency medical services (EMS), law enforcement, communications, and human resources. The principals of the company have over 50 years of public sector experience.

There are two distinct divisions within the corporation: Public Safety – overseen by Dr. Tim McGrath and Human Resources – overseen by Dr. Victoria McGrath. We have found that having expertise in human resources is beneficial in public safety studies. Thus, the Fire/EMS and law enforcement consultants have access to experts in human resources to address the unique laws and best practices governmental entities face with their human capital.

Company Name	McGrath Consulting
Parent Organization	McGrath Consulting Group, Inc.
Established	May 1, 2000
Years of Business	22
Type of Firm	Private Corporation
Company Mailing Address	P.O. Box 865, Jamestown TN. 38556
Website	<a href="http://www.mcgrathconsulting.com">www.mcgrathconsulting.com</a>
CEO/Authorized Representative	Dr. Tim McGrath
Email Address	<a href="mailto:tim@mcgrathconsulting.com">tim@mcgrathconsulting.com</a>
Office Phone	(815) 728-9111
Fax Number	(815) 331-0215
Insurances	State Farm: Auto Erie Insurance: General Liability, AM Trust: Workers' compensation Mount Vernon: Professional Liability Chubb: Cyber Security Liability

The principals of the company have over 50 years of public sector experience, with over 500 clients in 40 states. Our firm currently employs 27 fulltime or independent contractors to assist in projects.

## Firm Expertise

McGrath Consulting Group, Inc. has conducted a number of fire/EMS department facilities assessment and future needs; either as part of a comprehensive department audit or as an independent study issue. Our firm prides itself on its innovative recommendations that maximize opportunities in the most cost effective manner. We address current and future facility needs which must align with the fiscal ability of the Village & Town of Somers.

## Understanding the Project

The project will take a comprehensive assessment of the two existing fire and rescue facilities along with the potential needs of an additional satellite fire and rescue facility. The oldest facility was built in July of 1967 and the governing officials want to ensure that it is adequate in size and provides the modern support and safety components found in current fire and rescue facilities as well as providing emergency response services.

The location of fire stations and the deployment of resources will take into consideration responses to high hazard locations, target hazard locations, availability of land, high call volumes areas, potential delays (e.g., road egress, area demographics), future growth, and improved response time of paid-on-call members. The project is expected to identify areas of excellence and opportunities for improvement in the current delivery system and identify facility resources needed to meet the demands of service delivery.

### *Data Importance*

One of the main challenges Fire/EMS leadership faces is to identify the need for resources that will ensure the highest level of emergency service and safety for those who receive and provide such service, as well as to justify the fiscal dollars needed for their resource requests. Good data is essential in accomplishing this mission. Data will quantify the need separating *wants from needs*.

***The consulting team will require accurate data before making any recommendations as to facility needs.***

### Unique Approach

Our firm does not utilize a cut-and-paste approach to our clients; rather, we take the time needed to learn the culture of the service area. Learning the culture of the services providers sounds nice, but what does it mean and why does it make a difference in the outcome of a study?

Basically, organizational culture is the personality of the organization comprised of the assumptions, values, norms, and tangible signs (artifacts) of organization members and their behaviors. Each department has its own culture, most often both an espoused culture and an enacted culture; which might or might not align with the perceived culture of those who govern and its leadership. Our firm believes that understanding the culture is essential to identifying opportunities for change. We seek to understand the culture by viewing it at different levels.

### Study Methodology

Our study methodology involves immersing a highly skilled consultants with expertise in the fire/EMS profession on site to conduct interviews, make observations, measure performance, determine expectations, and most importantly – listen to the stakeholders. McGrath Consulting also utilizes a GIS mapping program to illustrate and evaluate response times and station facility location(s).

The outcome of the data analysis, interviews, and comparison with industry standards and practices is presented in a comprehensive fire/EMS facility assessment report identifying any issues and opportunities to address issues of concern. Our recommendations are prioritized in order to assist in planning for the fiscal impact of implementation.

This document will provide Village and Town officials with an independent non-biased assessment of the current fire/EMS services delivered by the Somers Fire & Rescue Department.

## Stakeholders Input

Stakeholder meetings will provide the consulting team with the ability to identify stakeholders input as to current and future facility(ies) needs. The consulting team will schedule interviews with, but not be limited to, the following stakeholders:

- *Village elected and appointed officials*
- *Town elected and appointed officials*
- *Board of Fire Commissioners*
- *Fire Department Leadership*
- *Fire Department officers & members*
- *Other stakeholders as deemed necessary*

Stakeholder input is critical to the project's success; therefore, a considerable amount of time will be dedicated to this endeavor. All stakeholders' interviews will be kept confidential with the consultants recapping the major themes discovered without the identification of a specific stakeholder.

## Scope of Study Objectives

The study will address the following objectives/topics which are briefly described below. Each objective has considerable depth, and this outline is intended to illustrate the scope of work – not the breadth of the topic. A list of information, data sets and documents needed will be requested prior to or on the first site visit. Additional documents may be requested based on information gleaned during interviews.

### Develop Project Work Plan

- Develop a project work plan based on the scope of work
- Conduct an initial meeting with the Somers project team
- Gain an understanding of the organization's background, goals, and expectations for the project
- Establish working relationships, make logistical arrangements, determine communication process, and finalize contract arrangements
- Identify work plan specifics
  - Primary tasks to be performed
  - Person(s) responsible for each task
  - Timetable for each task to be complete
  - Method of evaluating results
  - Resources to be utilized
  - Possible obstacles or problem areas associated with the accomplishment of each task

### Review Existing Data, Reports, etc.,

- Review and analyze pertinent information, data, maps, and previous studies
- Assess and evaluate the information provided to the consultant by the fire department

- Utilize the appropriate information, data, maps, and other information in the development of the fire service facility plan

#### Overview Fire & EMS Operations

- Assess the current overall fire/EMS department capabilities for efficiency and effectiveness (information used as the basis for recommendations)
- Gain an understanding of the history and culture of the organization
- Provide a general overview of the fire department and respective protection area
- Analyze the organizational structure, design, and administration pertaining to facility needs
- Evaluate the departmental operations for compliance with commonly accepted standards
- Review of current trends in emergency and non-emergency demands

#### Data Analysis

- Using both quantitative and qualitative analysis
- Assess data records for the past three-years of operations (includes NFIRS records)
- Response time from each existing fire & rescue facility
- Conduct descriptive, diagnostic, predictive data analysis

#### Industry/National Standards

- Impact of national emergency response trends
- Evaluate significance of national, state, and local fire service standards:
  - National Fire Protection Association (NFPA)
  - Insurance Service Offices, Inc. (ISO) rating significance to the community
  - Occupational Safety and Health Administration (OSHA)
  - Center for Public Safety Excellence (CPSE) – formerly the Commission of Fire Accreditation International (CFAI)
- Assessment of the department's compliance with industry standards

#### Facilities

- Evaluate the current facilities locations and distribution – utilizing GIS mapping
- Evaluate the current facilities and limitations – both support and emergency appropriateness
- Illustrate travel time/distance utilizing GIS mapping from the current stations
- Determine if the existing safety facilities are located in the most advantageous location
- Assess compliance of existing facilities to industry safety standards (i.e., ADA)
- Identify future facility needs (including additional, reduction, or relocation of facility(ies))
- Analyze the potential for consolidation of the facilities based on concentration, distribution, reliability, and cost benefit

- Evaluate current facilities for safety, efficiency, and environmental issues
- Determine future viability of current public safety facilities and identify future facility needs



Staffing

- Review and evaluate administration and support staffing levels
- Review and evaluate operational staffing levels
- Evaluate the appropriateness of staffing methods, numbers, and distribution of personnel
  - Administrative and support staff
  - Suppression staff including shift and fire company levels
- Review staff scheduling methodology
  - Paid-on-Call/Volunteer/Career/Part-Time
- Evaluate the effectiveness of the first response assignment
- Review the firefighter/EMS staff distribution
- Assess span of control of officers
- Evaluate department’s staffing levels compared to national standards
- Review the firefighter/EMS staff distribution



Fiscal Implications

- Identify fiscal implications for recommendations made in the study

## Consulting Team

Consultants will be assigned from staff who expertise and experience best align with the opportunities identified within the study. A bio of each staff consultant will be presented to the client prior to any site visits or participation by any member of our team.

### Project Manager / CEO

**Dr. Tim McGrath**

As CEO of McGrath Consulting Group, Inc. Dr. Tim McGrath is the visionary of the organization. His 33 years of experience in Fire and EMS as well as his ability to develop innovative solutions makes McGrath Consulting different than other firms. Dr. McGrath started his career as a volunteer firefighter and went through the transition of an informal group of civic minded individuals to an integral department within the Village of Gurnee, IL. During his tenure with Gurnee, the Village rapidly grew from a small bedroom community to one that hosts a Six Flag Great America, and at the time, the world’s largest shopping center – 2.2 million square feet under one roof. Dr. McGrath was in administrative positions during both of the ventures, so he understands the opportunities and challenges growth brings to the fire service.

Dr. McGrath was part of the first paramedic pilot program in the State of Illinois. Through his leadership, he brought in the first non-education-based paramedic training program in the City of Brookfield fire department. Thus, the City of Brookfield Fire Department became a profit center training all paramedic personnel for Waukesha County, WI.

Dr. McGrath's passion is in consolidation of services. This can entail a wide range of relationships from simply sharing resources to full consolidation and integration of services. Thus, conducting an analysis of each department, Dr. McGrath is able to identify the areas for greater cooperative efforts that continue to provide quality services in a cost-efficient manner.

Through his experience and innovative mind set, Dr. McGrath is able to identify and address key issues – current and future. It is through this combination of education and work experience, as well as working with over 500 organizations in 40 states, he brings a vast amount of first-hand knowledge to the assessment of emergency services.

### ***Education Background***

Walden University

Doctorate – Administrative Management

Dissertation: Attitudes on Consolidation in the Fire Service

Webster University

Master of Arts – Public Administration & Management

University of Wisconsin – Stout

Bachelor of Science – Industrial Education

College of Lake County

Associate Degree – Fire Science Technology

## **Fire/EMS Consulting Team**

### ***Chief Robert Stedman – Fire/EMS Lead Consultant***

Chief Stedman is a Senior Consultant with McGrath Consulting Group, Inc. Prior to joining McGrath Consulting, Chief Stedman spent over 40 plus years in the fire service starting as a firefighter, the moving up the ranks to Fire Chief for the City of Waukesha, WI. As Fire Chief for the City, he supervised a career staff of 98 members serving approximately 22 square miles of a growing community which included residential, commercial, and retail areas.

Currently Chief Stedman has served for ten years as Fire Chief for the South Shore Consolidated Fire Department, a consolidated fire department in Southeastern Wisconsin. The department serves two villages protecting about 35,000 residents covering an area of about 36 square miles. The department has 66 full time members and provides fire and EMS Paramedic services, a Technical Rescue Team, and a Dive Team.

Chief Stedman has been responsible for all activities of the metropolitan fire department. He has provided leadership and support to strategic planning, budgeting, Basic Life Support and Advanced Life (Paramedic) EMS services, communications, and special technical rescue teams. The department under his leadership also serves as the Racine County Level B Hazardous Materials Team.

In addition to actively serving in the fire service, Chief Stedman has also been involved in the education of public safety as a College Dean for six major program areas including Fire/EMS, Law Enforcement and Homeland Security at a Technical College. These positions included coordinating and planning the curriculum, faculty, and program evaluation. He was also employed by the Milwaukee Area Technical

College system as Manager – Emergency Management Grant Project for a grant project to develop emergency management and emergency operations center plans.

To add diversity to his experience, Chief Stedman served as a Town Board Supervisor for one of Wisconsin’s largest townships. In his capacity as Supervisor, he served as the Chairperson of the Finance Committee which included the automation of departments, and the remodeling of the Town hall.

Chief Stedman is a member of the International Fire Chiefs Association; Past Chair of Southeastern WI COAD (Citizens and Organizations Active in Disasters); a past member of the State of WI Fire Service Training Fire Officer Curriculum Committee; and City of Waukesha Information Technology Advisory Committee.

### **Education**

University of Wisconsin – Stout  
Master of Science – Vocational & Technical Education  
Southern Illinois University  
Bachelor of Science – Fire Science Management  
Gateway Technical College - Associate Degree – Fire Science

### ***Staff Consultant(s) – Fire/EMS Consultant***

To be determined

## **References**

### **Alpine Township, MI**

**Contact:** Chief Dave Klomparens, 616-784-5750, email: [d.klomparens@alpinetwp.org](mailto:d.klomparens@alpinetwp.org)

**Project:** Comprehensive Fire Department Strategic Plan including inadequate staffing, facility needs, and need for aerial apparatus

### **Municipality of Skagway Borough, AK**

**Contact:** Mr. Brad Ryan – Borough Manager – 907-612-1788, email: [manager@skagway.org](mailto:manager@skagway.org)

**Project:** (Multiple). Comprehensive assessment/audit of the Borough of Skagway Fire Department including technical assistance in staffing, resource deployment, recruiting, and human resources policies and compliance.

### **Western Reserve Joint Fire District, OH**

**Contact:** Mr. Edward Kempers – Fire District Board Chairman (330-717-2778) Email:

[ekempers@zoominternet.net](mailto:ekempers@zoominternet.net)

**Project:** Organizational/Operational Analysis of the Fire District and service provider (Poland Fire District). Comprehensive audit included an assessment of all emergency and non-emergency services, governance, and particular emphasis on staffing and the need for an additional fire station.

### **City of Sun Prairie, WI**

**Contact:** Mr. Aaron Oppenheimer, City Administrator – office (608) 825-1193, fax (608) 825-6879, email:

[aoppenheimer@cityofsunprairie.com](mailto:aoppenheimer@cityofsunprairie.com)

**Project:** Fire Department Review/Assessment (Master Plan)

**Environment:** Significant dysfunction with volunteer fire department and City. Recommended and implemented a new Executive Board oversight group.

**City of O’Fallon, IL**

**Contact:** Ms. Pamala Funk – Assistant City Administrator Ret. – (618) 971-8662 email:

[pamalafunk@charter.net](mailto:pamalafunk@charter.net)

**Projects:** (multiple projects) Comprehensive fire department audit and master plan; fire station location master plan; executive search Fire Chief; master plan EMS (3<sup>rd</sup> service).

## Proposed Project Schedule

From the signing of the contract until the final report is presented to the client the estimated project duration would be four months. *(dependent on client providing timely data request)*

## Service Expected from the Village/Town Administration/Fire Department

The consultant team anticipates cooperation with elected official/administration and departmental personnel in obtaining the necessary data. A list of the type of data will be sent to the appropriate individual(s) well in advance of the first site visit by the consulting team. In almost all cases, the data requested is readily available from the department’s computerized data/reports or activity logs.

Minimum help is required in the initial identification of stakeholders, including phone numbers and/or addresses to reach those parties. Further assistance may be required in scheduling interviews.

### *Sub-contractors*

McGrath Consulting Group, Inc. will not utilize any subcontractors on this project.

## Study Costs

The total guaranteed project not to exceed cost for the project will be \$24,750.00 which includes all aspects as outlined within this proposal, consultant time and travel. The Village/Town of Somers will be invoiced in four (4) payments:

- 15% (\$3,712.50) – upon signing of the contract
- 20% (\$4,950.00) – at the first site visit
- 55% (\$13,612.50) – upon submission of the draft report
- 10% (\$2,475.00) – submission of the final report and presentation if desired

The proposal price is good for 60 days from submittal. Payment is due within 30 days of receipt of the invoice.

## Final Word

Our company will develop recommendations that will identify current and future facility needs for the Somers Fire & Rescue Department. We approach each project as a new opportunity to identify opportunities for the service provider to improve services and prepare for long-range future facility needs.

The consulting team consists of fire and EMS professionals who have years of experience in career, volunteer and combination fire and EMS departments. The entire consulting team has extensive experience in conducting previous studies and developing reports involving fire and/or EMS departments.

Please feel free to contact us if you have any questions regarding this proposal.

*Tim McGrath Ph. D.*

Dr. Tim McGrath CEO

**VILLAGE OF SOMERS  
VILLAGE BOARD  
WORK SESSION ITEM MEMORANDUM**

---

**WORK SESSION:** November 7<sup>th</sup>, 2023

**TO:** Village President Stoner and Board of Trustees

**PREPARED BY:** Kevin Poirier, Assistant to the Administrator

**REVIEWED BY:** Jason J. Peters, Administrator

**AGENDA ITEM:** #10 Discussion regarding the replacement of Board of Trustees' iPads

---

**BACKGROUND:**

The lifespan of a laptop is around 3 to 4 years. The Board's iPads are over 5 years old and are in need of replacing. Administration is planning to replace the Boards iPad in 2023 and money has been set aside in the CIP.

**UPDATE:**

Assistant Poirier has reached out to individual Board members to gauge whether they would prefer an iPad or a laptop. Four were in favor of a laptop and three preferred iPads. One thing that seemed to come up for all board members is a preference for larger screens. When we contacted our IT providers, they indicated to us that they could set up either.

**COMMENTS:**

For consistency, Administration and IT feels that having the same device for everyone would be best. At this time, we would like direction as to which would work best:

- 12.9 in Screen iPad Pro (with keyboard) — \$1,271.79 each
- HP ProBook 640 G9 with a 14 in display — \$1,020 each
- 10.9 in Screen iPad Air (with keyboard) — \$901.16 each

The device currently issued to Board Members is a 10.5 in iPad Air 2.

**ATTACHMENTS:**

HP Laptop quote

iPad Pro quote

iPad Air quote



**Vanguard Computers, Inc.**  
 13100 W. Lisbon Road, Suite 100  
 Brookfield, Wisconsin 53005  
 United States  
 (P) 262-317-1900 (ext.) 2

**Quotation (Open)**  
 Quote #: 42216 1 rev of 1  
 Modified Date: Nov 02, 2023 02:22 PM CDT  
 Expiration Date: 11/30/2023  
 Description: HP EliteBook 640 G10 (Intel) - QTY 10

**Sales Associates**  
 Preparer: LeDoux, Kyle  
 E-mail: Kyle.l@vanguardinc.com  
 Phone: 262-317-1900 ext. 2  
 Account Manager: LeDoux, Kyle  
 E-mail: Kyle.l@vanguardinc.com

**Customer**  
 Kenosha County (00041163)  
 McCravens, Matt  
 1010 56th Street  
 Kenosha, WI 53140  
 United States

**Bill To**  
 Kenosha County  
 1010 56th Street  
 Kenosha, WI 53140  
 United States

**Ship To**  
 Kenosha County  
 1010 56th Street  
 Kenosha, WI 53140  
 United States

**Payment Method**  
 Terms: Undefined  
**Shipping Info**  
 Delivery Method: Custom  
 Carrier Account #:  
 Special Instructions:

#	Description	Part #	Qty	Unit Price	Total
1	HP EliteBook 640 G10 CTO ID#50814564 Note: HP IDS UMA i5-1335U vProE TI PD IC 640 G10 Base NB PC Electronic Energy Star labeling (EStar) Windows 11 Pro 64 OS Localization Dual AryMic HD USB2 WFOV Integrated Camera 14 inch FHD (1920x1080) Anti-Glare LED UWVA 250 for HD Webcam Narrow Bezel bent 16GB (2x8GB) DDR4 3200 512GB PCIe-4x4 NVMe TLC Solid State Drive Pike Silver Aluminum U15 ID No Near Field Communication (No NFC) Intel AX211 Wi-Fi 6E vPro 160 MHz +Bluetooth 5.3 WW WLAN No WWAN No Fingerprint Sensor No SmartCard Reader Long Life 51Whr Fast Charge 3 cell Battery 65 Watt Smart nPFC Right Angle AC Adapter for TBT Clickpad spill-resistant KBD Country Localization C5 1.0m Sticker Conventional Power Cord 1/1/0 Warranty HP Tamper Lock No vPro AMT supported Standard Packaging Core i5 sz3 vPro Essentials G13 Label Electronic TCO Certified labeling HP 4 year Next Business Day Response Onsite Notebook Hardware Support (UA6A2E)	736J2AV	10	\$1,020.00	\$10,200.00
2	Electronic HP Care Pack Next Business Day Hardware Support Extended service agreement - parts and labor (for CPU only) - 4 years - on-site - response time: NBD - for EliteBook 630 G10, 64X G10, 65X G10; ProBook 640 G5, 640 G8, 64X G4, 650 G5, 650 G8	UA6A2E	10	\$0.00	\$0.00

**Subtotal: \$10,200.00**  
 Tax (.0000%): \$0.00  
 Shipping: \$0.00  
**Total: \$10,200.00**

**DROPSHIP NOTICE:** For orders that ship directly from our supplier to your facility, please ask your receiving department (or person) to inspect these orders upon arrival to verify all items have arrived undamaged. Please notify your account manager or sales support within 5 days of receipt if any items are missing or damaged, so we can notify our supplier immediately.

- Verify packaging and/or pallets have no visible signs of damage or tampering.
- Verify the correct product numbers and quantity have been shipped/delivered against the bill of lading.
- Please notate any signs of damage, tampering, or discrepancies on the BOL and inform the delivery driver.

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**IT LIFECYCLE SERVICES:** Did you know all your equipment can arrive unboxed, asset tagged, and ready to install for a flat rate fee? How about device shipment and recovery for remote workers? Don't waste your time and energy moving and opening all those boxes. Let our IT lifecycle and logistics team do the work for you! We also offer Windows and Apple imaging, Chrome white-glove services, full-service device installation, removal, surplus,





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For all other customers, click below to convert your quote to an order.

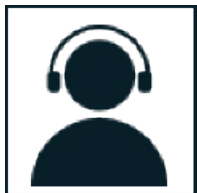
**Convert Quote to Order**

QUOTE #	QUOTE DATE	QUOTE REFERENCE	CUSTOMER #	GRAND TOTAL
1CCNTYH	11/2/2023	SOMERS IPAD PRO BUDGET	12076150	<b>\$12,717.90</b>

QUOTE DETAILS				
ITEM	QTY	CDW#	UNIT PRICE	EXT. PRICE
<a href="#">Apple 12.9" iPad Pro - Wi-Fi - 6th Generation - 128 GB - Silver</a> Mfg. Part#: MNXQ3LL/A Contract: Wisconsin Counties Association	10	7213812	\$1,076.69	\$10,766.90
<a href="#">Apple Smart - keyboard and folio case - QWERTY - US</a> Mfg. Part#: MXNL2LL/A Contract: Wisconsin Counties Association	10	6013904	\$195.10	\$1,951.00

<b>SUBTOTAL</b>	\$12,717.90
<b>SHIPPING</b>	\$0.00
<b>SALES TAX</b>	\$0.00
<b>GRAND TOTAL</b>	<b>\$12,717.90</b>

PURCHASER BILLING INFO	DELIVER TO
<b>Billing Address:</b> KENOSHA COUNTY CUSTOMER SERVICE 1000 55TH ST KENOSHA, WI 53140-3707 <b>Phone:</b> (262) 653-2881 <b>Payment Terms:</b> Net 30 Days-Govt State/Local	<b>Shipping Address:</b> KENOSHA COUNTY INFORMATION TECHNOLO ATTN:MATT MCCRAVENS 1000 55TH ST KENOSHA, WI 53140-3707 <b>Phone:</b> (262) 653-2881 <b>Shipping Method:</b> UPS Ground (Indy 1-2 day)
	<b>Please remit payments to:</b>  CDW Government 75 Remittance Drive Suite 1515 Chicago, IL 60675-1515



## Sales Contact Info

**Amanda Fischer (Government Sales) | (877) 213-7831 | [amanfis@cdwg.com](mailto:amanfis@cdwg.com)**

LEASE OPTIONS			
FMV TOTAL	FMV LEASE OPTION	BO TOTAL	BO LEASE OPTION
\$12,717.90	\$357.25/Month	\$12,717.90	\$408.12/Month

Monthly payment based on 36 month lease. Other terms and options are available. Contact your Account Manager for details. Payment quoted is subject to change.

Why finance?

- Lower Upfront Costs. Get the products you need without impacting cash flow. Preserve your working capital and existing credit line.
- Flexible Payment Terms. 100% financing with no money down, payment deferrals and payment schedules that match your company's business cycles.
- Predictable, Low Monthly Payments. Pay over time. Lease payments are fixed and can be tailored to your budget levels or revenue streams.
- Technology Refresh. Keep current technology with minimal financial impact or risk. Add-on or upgrade during the lease term and choose to return or purchase the equipment at end of lease.
- Bundle Costs. You can combine hardware, software, and services into a single transaction and pay for your software licenses over time! We know your challenges and understand the need for flexibility.

General Terms and Conditions:

This quote is not legally binding and is for discussion purposes only. The rates are estimate only and are based on a collection of industry data from numerous sources. All rates and financial quotes are subject to final review, approval, and documentation by our leasing partners. Payments above exclude all applicable taxes. Financing is subject to credit approval and review of final equipment and services configuration. Fair Market Value leases are structured with the assumption that the equipment has a residual value at the end of the lease term.

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For all other customers, click below to convert your quote to an order.

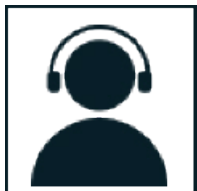
**Convert Quote to Order**

QUOTE #	QUOTE DATE	QUOTE REFERENCE	CUSTOMER #	GRAND TOTAL
1CCNVKF	11/2/2023	IPAD AIR QUOTE FOR SOMERS	12076150	<b>\$9,011.60</b>

QUOTE DETAILS				
ITEM	QTY	CDW#	UNIT PRICE	EXT. PRICE
<a href="#">Apple 10.9" iPad Air Wi-Fi 256GB - Space Grey</a> Mfg. Part#: MM9L3LL/A Contract: Wisconsin Counties Association	10	6901686	\$726.53	\$7,265.30
<a href="#">Apple Smart - keyboard and folio case - QWERTY - US</a> Mfg. Part#: MXNK2LL/A Contract: Wisconsin Counties Association	10	6013903	\$174.63	\$1,746.30

<b>SUBTOTAL</b>	\$9,011.60
<b>SHIPPING</b>	\$0.00
<b>SALES TAX</b>	\$0.00
<b>GRAND TOTAL</b>	<b>\$9,011.60</b>

PURCHASER BILLING INFO	DELIVER TO
<b>Billing Address:</b> KENOSHA COUNTY CUSTOMER SERVICE 1000 55TH ST KENOSHA, WI 53140-3707 <b>Phone:</b> (262) 653-2881 <b>Payment Terms:</b> VISA	<b>Shipping Address:</b> KENOSHA COUNTY INFORMATION TECHNOLO ATTN:MATT MCCRAVENS 1000 55TH ST KENOSHA, WI 53140-3707 <b>Phone:</b> (262) 653-2881 <b>Shipping Method:</b> FEDEX Ground
	<b>Please remit payments to:</b>  CDW Government 75 Remittance Drive Suite 1515 Chicago, IL 60675-1515



## Sales Contact Info

**Amanda Fischer (Government Sales) | (877) 213-7831 | [amanfis@cdwg.com](mailto:amanfis@cdwg.com)**

LEASE OPTIONS			
FMV TOTAL	FMV LEASE OPTION	BO TOTAL	BO LEASE OPTION
\$9,011.60	\$253.14/Month	\$9,011.60	\$289.18/Month

Monthly payment based on 36 month lease. Other terms and options are available. Contact your Account Manager for details. Payment quoted is subject to change.

Why finance?

- Lower Upfront Costs. Get the products you need without impacting cash flow. Preserve your working capital and existing credit line.
- Flexible Payment Terms. 100% financing with no money down, payment deferrals and payment schedules that match your company's business cycles.
- Predictable, Low Monthly Payments. Pay over time. Lease payments are fixed and can be tailored to your budget levels or revenue streams.
- Technology Refresh. Keep current technology with minimal financial impact or risk. Add-on or upgrade during the lease term and choose to return or purchase the equipment at end of lease.
- Bundle Costs. You can combine hardware, software, and services into a single transaction and pay for your software licenses over time! We know your challenges and understand the need for flexibility.

General Terms and Conditions:

This quote is not legally binding and is for discussion purposes only. The rates are estimate only and are based on a collection of industry data from numerous sources. All rates and financial quotes are subject to final review, approval, and documentation by our leasing partners. Payments above exclude all applicable taxes. Financing is subject to credit approval and review of final equipment and services configuration. Fair Market Value leases are structured with the assumption that the equipment has a residual value at the end of the lease term.

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**VILLAGE OF SOMERS  
VILLAGE BOARD  
WORK SESSION ITEM MEMORANDUM**

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**WORK SESSION:** November 7<sup>th</sup>, 2023

**TO:** Village President Stoner and Board of Trustees

**PREPARED BY:** Jason J. Peters, Administrator

**AGENDA ITEM:** #11 Discuss and Review proposed Village Agreement and Consent to TID Pledge and Security Agreement for SCS Pike Creek, LLC (Savannah Project)

---

**BACKGROUND:**

In 2021, the Village entered into a development agreement with SCS Pike Creek, LLC (herein referred to as the “Developer”) for the Savannah at Pike Creek multi-family project on CTH L. The agreement was subsequently amended in 2022. As part of the agreement, incentive payments were pledged from TID 5. The Developers is currently trying to obtain a new construction loan for the project and the proposed lender is requiring them to collaterally assign its interest in said payments for collateral purposes to the lenders. Per the above mentioned development agreement, the Developer needs to seek written consent from the Village before any transfer of rights are granted. They have submitted their request to Attorney Davison.

**UPDATE:**

Attorney Davison has reviewed the “Village Agreement and Consent to TID Pledge and Security Agreement” and has no issues with the Village entering into said agreement.

**COMMENTS:**

The Developer would like to close on this loan no later than November 10<sup>th</sup>. Due to the timing involved, a special meeting will immediately follow our November 7<sup>th</sup> Work Session to take action on the proposed agreement.

**ATTACHMENTS:**

Village Agreement and Consent to TID Pledge and Security Agreement

Map of Area

## VILLAGE AGREEMENT AND CONSENT TO TID PLEDGE AND SECURITY AGREEMENT

This **VILLAGE AGREEMENT AND CONSENT TO TID PLEDGE AND SECURITY AGREEMENT** (this "Consent"), dated as of November 15, 2023, is made and entered into by and among the **VILLAGE OF SOMERS, KENOSHA COUNTY, WISCONSIN, THE VILLAGE OF SOMERS UTILITY DISTRICT** ("DISTRICT"), **AND THE VILLAGE OF SOMERS WATER UTILITY** ("UTILITY") (the Village of Somers, the Utility and the District are hereinafter collectively referred to as "Village"), **BARRINGTON BANK & TRUST COMPANY, N.A.** as a lender, lead arranger, bookrunner and agent (including its successors and assigns, the "Lender"), and **SCS PIKE CREEK, LLC**, a Wisconsin limited liability company, d/b/a Savannah at Pike Creek Apartments ("Developer"). The following recitals form an integral part of this Consent:

A. The Developer and the Village have entered into that certain Development Agreement dated as of October 28, 2021 recorded with the Kenosha County Register of Deeds on November 21, 2021 as Document Number 1916098 (the "RDA"), and a First Amendment to the RDA dated November 30, 2022 (collectively the RDA and the amendments and restatements listed above are the "Amended RDA") (as amended from time to time the RDA and the Amended RDA are referred to herein as the "Development Agreement").

B. Pursuant to the Development Agreement and that certain Project Plan for the Creation of Tax Incremental District No. 5, together with any other documents already existing or to be provided in the future between the Village and Borrower (the "TID Documents"), the Village agreed to issue Incentive Payments subject to the terms of the Development Agreement and the TID Documents, together with any other TID Notes issued by the Village to the Developer pursuant to the Development Agreement ("Incentive Payments") for the purpose, in part, of providing terms by which Developer may be partially reimbursed for its project costs by means of incremental property taxes in accordance with the Development Agreement and the TID Documents, all as more specifically defined and set forth in the Development Agreement and in the TID Documents.

C. Lender has represented to Village that they and other lenders have agreed to make certain loans in the total amount of up to \$3,100,000.00 (collectively, the "Loan") to Developer evidenced by those certain Promissory Notes dated the date hereof, and further described in that certain Construction Loan Agreement, dated as of the date hereof, among Developer and Lender (as amended from time to time, the "Loan Agreement").

D. As security for the Loan, Lender has required, among other documents evidencing the Loan, a TID Pledge and Security Agreement, dated the same date as the Loan Agreement ("Pledge Agreement"), executed and delivered by Developer for the benefit of Lender pledging among other things, the Development Agreement, and any Incentive Payments that may become payable to Developer and any rights or proceeds therefrom.

E. Pursuant to the Pledge Agreement, the Developer has collaterally assigned to Lender all Incentive Payments that may be issued to Developer ("Pledged Obligations") under the terms of the Development Agreement.

F. The Development Agreement and the Pledged Obligations issued in connection therewith, all ordinances relating thereto, and all other documents and agreements between Village and Developer relating thereto are collectively referred to herein as the "Development Documents".

G. The Village authorized entry into this Consent.

NOW THEREFORE, in consideration of the foregoing recitals, the agreements herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties to this Consent hereby agree as follows:

1. Consent. Village hereby consents to (a) the assignment by Developer to Lender of Developer's right, title and interest under each of the Development Documents pursuant to the Pledge Agreement, (b) Lender holding the Pledged Obligations for the term of the Loan Agreement, and (c) the pledge by Developer to Lender of the Pledged Obligations.

2. Attornment. Village acknowledges and agrees that it will make full and complete attornment (without the necessity of any other or further attornment or instrument) to, and to accept performance of the Developer's obligations under the Development Documents, from (a) Lender, (or an affiliate of Lender organized to hold title to the Property for which the Village has approved an assignment under the Development Agreement ("Affiliate")), or (b) any receiver which Lender requests be appointed for the Property. Such attornment shall be for the balance of the term of each of the Development Documents, including any extensions thereof, and shall be upon the same terms, covenants and conditions as provided in the Development Documents so as to establish direct privity of estate and contract between Village and Lender (or its Affiliate), with the same force and effect as though the Development Documents were made directly between Village and the person to whom Village shall attorn as aforesaid.

3. Amendment of Development Documents. Developer acknowledges and agrees that, so long as the Loan shall remain outstanding and unpaid, Developer shall not, without the prior written notice to Lender, (a) cancel or terminate any of the Development Documents, or (b) assign any of the Development Documents other than pursuant to the provisions of this Consent.

4. Lender's Right to Cure Developer Default. Developer shall serve Lender with all official notices and demands under the Development Agreement at the address set forth in **Section 10.2** hereof. If any breach or default on the part of the Developer occurs under the Development Documents and the Developer fails to cure the same within any applicable cure or grace period (any such uncured breach or default being referred to herein as a "Developer Default"), Lender shall have the right, but not the obligation, to cure or cause the cure of such Developer Default on the same terms, under the same conditions, and within the same cure or grace period, as Developer under the Development Agreement.

5. Exercise of Remedies for Developer Default. If Lender, or any Affiliate of Lender exercises its rights under the Loan Documents (as defined in the Loan Agreement) and thereby acquires all of the Developer's rights under the Development Documents, then Lender or any Affiliate, shall be liable for the obligations of Developer under the Development Documents only for the period of time that Lender or such Affiliate remains the holder of such rights. Lender and any Affiliate, shall not have any obligations under the Development Documents for any obligations which accrue or arise after its rights thereunder have been assigned or otherwise disposed of thereafter in accordance with the Development Documents.

6. Casualty and Condemnation Proceeds. So long as the Loan remains outstanding, the parties acknowledge and agree that all proceeds from any casualty to or any condemnation (or sale under threat of condemnation) of the Property shall be first paid to Lender.

7. Acknowledgment of Lender's Rights and Interests in Pledged Obligations; Other Payments.

(a) The Village has agreed to issue certain Incentive Payments subject to the terms and conditions of the Development Agreement.

(b) Intentionally Deleted.

(c) Following written notice by Lender to the Village that an Event of Default exists under the Loan Agreement, the Village shall deliver any or all of the Pledged Obligations and Incentive Payments that may become payable under the Development Agreement to or at the order of Lender. The Developer hereby authorizes and directs the Village to take such action and agrees that such authorization is not revocable by Developer until and unless the Loan is repaid in full.

(d) The Village further acknowledges and agrees, and Developer acknowledges and agrees and irrevocably directs, that following written notice by Lender to the Village that an Event of Default exists under the Loan Agreement, (i) all payments of principal, interest or other amounts payable under the Pledged Obligations, including without limitation, any amounts payable in full or partial redemption of the Pledged Obligations, and (ii) all amounts payable from the Village to Developer pursuant to any provision of any of the Development Documents shall be paid to Lender for application in accordance with the Loan Agreement, by electronic wire or account transfer.

(e) Lender and Developer release the Village from any claims, causes of action, costs, expenses, demands, and damages arising from, or related to the Village's performance of its obligations under this Section 7.

8. Indemnification. Developer shall indemnify, defend with counsel of the Village's choosing, and hold the Village harmless from and against any claims, causes of action, costs, expenses, demands, and damages arising from, or related to, a Developer Default, the Pledge Agreement, and the Pledged Obligations.

9. Termination. This Consent shall terminate upon the earliest of (i) the mutual written consent of Lender, the Developer and the Village, or (ii) the payment in full, satisfaction and discharge of all of the principal of and accrued interest on the Loan and such termination shall be automatic and require no further documentation, or (iii) Incentive Payments are no longer payable under the terms of the Development Agreement.

10. Miscellaneous.

10.1 Waiver. No waiver of any breach or default hereunder shall constitute or be construed as a waiver by Village or Lender of any subsequent breach or default or of any breach or default of any other provisions of this Consent. Any waiver by Village or Lender must be in writing and will not be construed as a continuing waiver. No waiver will be implied from any delay or failure to take action on account of any default of Developer.

10.2 Notices. Any notices required or permitted to be given under this Consent shall be in writing and shall be deemed to have been given if and when received if personally delivered, or on the second business day after being deposited in United States registered or certified mail, postage prepaid, and addressed to a party at its address set forth below or to such other address the party to receive such notice may have designated to all other parties by notice in accordance herewith:

To Lender:

BARRINGTON BANK & TRUST  
COMPANY, N.A.  
201 S. Hough Street  
Barrington, Illinois 60010  
Attn: Nick Howard  
E-mail: [nhoward@wintrust.com](mailto:nhoward@wintrust.com)

With a copy to:  
Thompson Coburn LLP  
55 E Monroe Street, 37<sup>th</sup> Floor  
Chicago, Illinois 60603  
Attn: Justin M. Newman  
E-mail:  
[jmnewman@thompsoncoburn.com](mailto:jmnewman@thompsoncoburn.com)

To Developer:

SCS PIKE CREEK, LLC  
c/o Stoneleigh Companies, LLC  
760 W. Main Street, Suite 140  
Barrington, Illinois 60010  
Attn: Richard F. Cavanaugh  
E-mail:  
[rcavanaugh@stoneleighcos.com](mailto:rcavanaugh@stoneleighcos.com)

With a copy to:

Christine S. Bolger  
Firsell Ross & Weis LLC  
10 Parkway North Boulevard  
Suite 110  
Deerfield, Illinois 60015  
E-mail: [cbolger@firsellross.com](mailto:cbolger@firsellross.com)

To Village:

VILLAGE OF SOMERS  
7511 12<sup>th</sup> Street  
P.O. Box 197  
Somers, Wisconsin 53171  
Attn: Jason Peters, Village Administrator  
E-mail: [jpeters@somers.org](mailto:jpeters@somers.org)

With a copy to:

Davison Law Office, Ltd.  
1207 55<sup>th</sup> Street  
Kenosha, Wisconsin 53140  
Attn: Attorney Jeffrey J. Davison  
E-mail: [dmltd@sbcglobal.net](mailto:dmltd@sbcglobal.net)

or to such other address the party to receive such notice may have theretofore furnished to all other parties by notice in accordance herewith. Except as otherwise specifically required herein, no notice of the exercise of any right or option granted to Lender herein is required to be given.

10.3 Counterparts. This Consent may be executed in any number of counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same Consent.

10.4 Governing Law and Venue. This Consent and the terms, provisions and conditions herewith shall be governed by and construed and enforced in accordance with the internal laws of the State of Illinois (without giving effect to the conflicts of law provisions thereof). Venue for any litigation arising out of or related to this Consent shall lie exclusively in the Circuit Court of Cook County, Illinois, or the U.S. District Court for the Northern District of Illinois.

10.5 General. This Consent may not be modified or amended except by written agreement of the parties hereto. The headings contained herein have been inserted for convenience of reference only and shall in no way restrict or otherwise modify any of the terms and provisions hereof. If any term, covenant or condition of this Consent, or the application thereof to any person or circumstance, shall to any extent be invalid or unenforceable, the remainder of this Consent, or the application of such term, covenant or condition to persons or circumstances other than those as to which it is invalid or unenforceable, shall not be affected thereby and each term, covenant and condition of this Consent shall be valid and enforceable to the fullest extent permitted by law. This Consent represents the entire agreement between Lender and the Village and all prior negotiations and communications between the parties concerning the subject hereof are superseded hereby.

[SIGNATURES APPEAR ON THE FOLLOWING PAGE]

SIGNATURE PAGE FOR VILLAGE CONSENT AGREEMENT

IN WITNESS WHEREOF, the parties hereto have caused this Consent to be duly executed as of the year and date first set forth above.

“VILLAGE”  
**VILLAGE OF SOMERS**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Attest: \_\_\_\_\_

Name \_\_\_\_\_

Title \_\_\_\_\_

“LENDER”  
**BARRINGTON BANK & TRUST  
COMPANY, N.A.**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

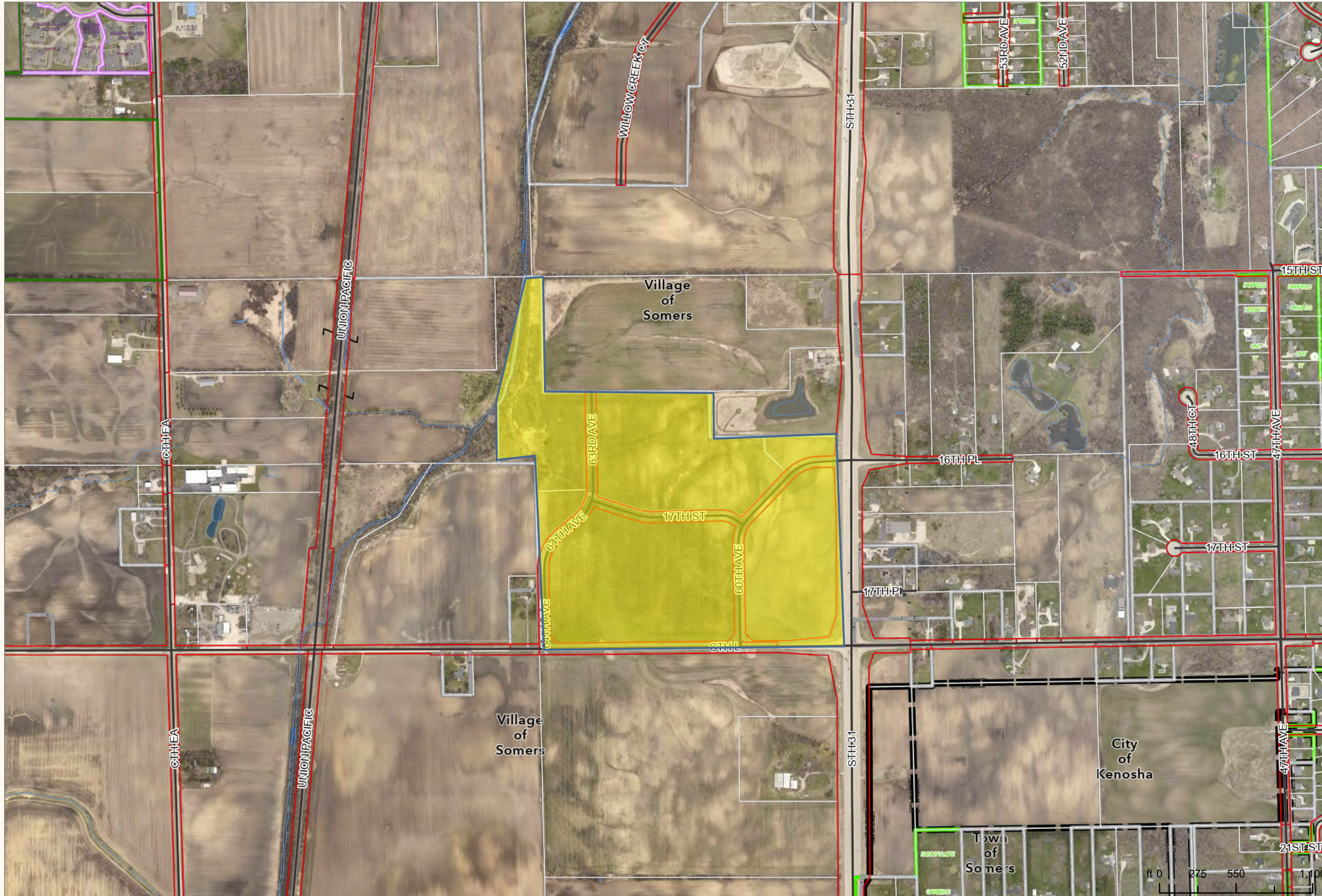
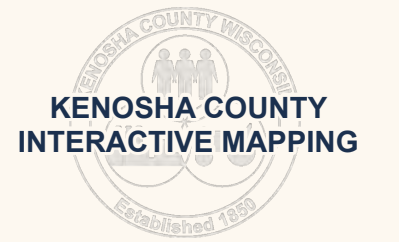
“DEVELOPER”  
**SCS PIKE CREEK, LLC**, a Wisconsin limited liability company, d/b/a Savannah at Pike Creek Apartments

By: \_\_\_\_\_

Name: Richard F. Cavanaugh

Title: President

# Savannah



1:8,318  
1" = 693'

**DISCLAIMER** This map is neither a legally recorded map nor a survey and is not intended to be used as one. This drawing is a compilation of records, data and information located in various state, county and municipal offices and other sources affecting the area shown and is to be used for reference purposes only. Kenosha County is not responsible for any inaccuracies herein contained. If discrepancies are found, please contact Kenosha County.

Date Printed: 11/3/2023

**Village of Somers  
7511 12th Street  
Somers, WI 53171**

**Village Board Meeting  
Tentative Agenda  
Tuesday, November 14, 2023  
5:30 p.m.**

<b>Village Board Meeting:</b>	
<b>Item #</b>	
1	Call to order
2	Pledge of Allegiance
3	Consent and Approval of Minutes of Regular meetings on October 24, 2023, Vouchers dated October 26, 2023, November 1, 2023, and November 9, 2023
4	Correspondence:
5	Citizens Comments
6	President and Trustee Comments
7	Public Hearing on the 2024 Budget
8	Action on Resolution 2022-0XX, A Resolution authorizing the adoption of the 2024 Budget, authorizing positions authorizing fees, and setting the tax levy
9	Approval of Operator's Licenses: Camryn Schulz
10	Adjourn

I hereby certify that as the designee of the chief elected official of the Village of Somers, I posted this notice of the November 14, 2023 Village Board Meeting & Tentative Agenda in 1 public place & on the Village website.

Dated this 3<sup>rd</sup> day of November 2023

Brandi Baker, Clerk-Treasurer

Requests from person with disabilities who need assistance to participate in this meeting should be made to the Clerk's Office at 262-859-2822 with as much notice as possible. Notice is hereby given that members of the Village Board may participate telephonically. Notice is hereby given that members of the Town Board may be in attendance for the sole purpose of gathering information. A quorum may be present. However, no Board action will be taken