



SPECIAL VILLAGE BOARD MEETING AGENDA

February 21, 2024 at 6:00 PM

Kronenwetter Municipal Center - 1582 Kronenwetter Drive Board Room (Lower Level)

1. CALL MEETING TO ORDER

- A. Pledge of Allegiance
- B. Roll Call

2. PUBLIC COMMENT

Please be advised per State Statute Section 19.84(2), information will be received from the public. It is the policy of this Village that Public Comment will take no longer than 15 minutes with a three-minute time period, per person, with time extension per the Chief Presiding Officer's discretion. Be further advised that there may be limited discussion on the information received, however, no action will be taken under public comments.

3. NEW BUSINESS

- C. Discussion and Possible Action: Report from Village Treasurer on How the Loan for the Ladder Truck did not make it on the 2024 budget.
- D. Discussion and Possible Action: Related to Documents used to obtain Financing from CoVantage Credit Union for the Ladder Truck.
- E. Discussion and Possible Action: Disbursement of Village Funds for the Ladder Truck
- F. Discussion and Possible Action: The Authority of Village Board Members Specifically Related to Directing Staff Actions

4. ADJOURNMENT

NOTE: Requests from persons with disabilities who need assistance to participate in this meeting or hearing should be made at least 24 hours in advance to the Village Clerk's office at (715) 693-4200 during business hours.

Posted: 02/20/2024 Kronenwetter Municipal Center and www.kronenwetter.org

Faxed: WAOW, WSAW, WSAU, and Mosinee Times | Emailed: Wausau Daily Herald



Report to

Agenda Item: CoVantage Loan
Meeting Date: 2/21/24
Staff Contact: Lisa Kerstner
Report Prepared by: Lisa Kerstner

When I was hired as Finance Director, the Finance Director position was vacant. APC and the Village Board was aware of the vacancy. This put me at a huge disadvantage because I was not aware of all debts the Village of Kronenwetter incorporated previously to my hire date. Due to the vacancy, I was also not unaware of the debt to CoVantage Credit Union. It was brought to my attention after the budget was completed for 2024, when a resident questioned what was happening with the Fire Truck loan at CoVantage during open comments during a previous Village Board meeting.

I made a mental note of that comment and took the initiative to do research and locate the agreement the resident was questioning.

I called CoVantage, spoke with a representative and they informed me when the debt was due, a statement would be sent. I said I would watch for it.

On 1/19/24, I asked our Account Clerk if she had seen a statement from CoVantage in regards to the debt and she advised she had not. I called CoVantage Credit Union to inquire about the account to get access to check on it and that is when I was informed the statement went to rhabeck@kronenwetter.org. That email is deactivated due to that staff member no longer being employed at the village. I was not able to get any information on the account because I was not an authorized person privy to information for that loan. I took the initiative knowing we may be penalized 5% if payment wasn't made by January 25, 2024. I did not want that to happen, so I made a copy of the signed resolution and attached it to the payment voucher and asked President Chris Voll for his signature to make an on-time payment. President Voll signed the voucher and payment was made on January 23, 2024 with no penalties.

On 1/23/24, Sara Fisher, Village of Kronenwetter's Account Clerk was a signee on the account. Fisher went to CoVantage Credit Union and dropped off the payment check, and a copy of the Village Minutes proving the previous Finance Director was no longer employed and I was hired in charge of financed for the Village. This allowed me to become an authorized person on the account and the previous Finance Director was removed.

On 1/24/24, I went to the bank to sign paperwork to become an authorized person on the account and get the breakdown of the payment between principal and interest. I also changed the email address to AP@kronenwetter.org so assure future statements will be sent to the village email account accessed by the account clerk on a daily basis.



REPORT TO VILLAGE BOARD

ITEM NAME: Fraudulent Documents Used to obtain funding for the Ladder Truck
MEETING DATE: 21-Feb-24
PRESENTING COMMITTEE: N/A
COMMITTEE CONTACT: Sean Dumais
STAFF CONTACT: Leonard Ludi
PREPARED BY: Sean Dumais

ISSUE: The Village of Kronenwetter entered into a loan contract with CoVantage Credit Union on 24-Jan-23 for the funding of a Ladder Truck. The documents that were signed for the bank are filled with fraudulent information that needs to be corrected.

OBJECTIVES: To enter into a legal contract with CoVantage for the purpose of funding our Ladder Truck and Identify the root cause of the fraudulent documents.

ISSUE BACKGROUND/PREVIOUS ACTIONS:

On 24-Oct 22 the Village Board addressed item 10.2 Discussion & Approval: Fire Department purchase of Engine #2 Equipment replacement. At this meeting the purchase of the ladder truck was discussed and Trustee Charneski made a motion (1:39 on the recording) “to approve the purchase of the currently available ladder truck and if it was not available to order a new one before November 1st” The motion passed unanimously. There was discussion about the manufacturer financing it, or a bank / credit union if that rate wasn’t the best but the treasurer and acting administrator were to look for the best rates.

On 24-Jan-23 Village representatives signed the General Obligation Promissory Note attesting to false statements on the following sections: 3, 4, and 7

On an unknown date a resolution, that was never passed by the board, was signed by Village representatives. The resolution has the breakdown of payments and interest for the loan which were unknown to anyone on 24-Oct-22. This document was knowingly and intentionally falsified.

On an unknown date the Issuer’s Certificate was signed by village representatives attesting to multiple false statements in sections I, II, VII, and IX

On 23-Jan-23 the village issued a letter to CoVantage falsely claiming that the “financing for our ladder truck was discussed and approved at the 24-Oct-22 Board meeting”

On 24-Jan-23 a Village representative signed IRS form 8038-G for issuance of government bonds without a Board approved Resolution directing such action. Were these bonds issued?

PROPOSAL: Direct staff to contact CoVantage and enter into a legitimate and legal contract with them for the financing of the Ladder Truck and then return to the Board with a corrected Resolution to be voted on by the Board as well as identify the root cause of the falsified documents.

ADVANTAGES: Enter into a legal contract with our vendor and provide transparency to the tax payers as to how this occurred.

DISADVANTAGES: Face the consequences of committing fraud to obtain a loan.

ITEMIZE ALL ANTICIPATED COSTS (Direct or Indirect, Start-Up/One-Time, Capital, Ongoing & Annual, Debt Service, etc.)

RECOMMENDED ACTION: Pass a motion to 1) direct staff to contact CoVantage immediately and work with them to adjust the documents correctly 2) Identify if there were in fact bonds issued 3) identify the root cause of the fraudulent documents and report back to the Board with the findings at the next regular Village meeting.

OTHER OPTIONS CONSIDERED: None

TIMING REQUIREMENTS/CONSTRAINTS: Immediately needed

FUNDING SOURCE(s) – Must include Account Number/Description/Budgeted Amt CFY/% Used CFY/\$

Remaining CFY

Account Number:

Description:

Budgeted Amount:

Spent to Date:

Percentage Used:

Remaining:

ATTACHMENTS (describe briefly):

Promissory note

Resolution

Issuer's certificate

Letter to covantage

Form 8038-G



OFFICIAL NOTICE AND AGENDA
Kronenwetter Village Board Regular Meeting
Kronenwetter Municipal Center
1582 Kronenwetter Drive, Kronenwetter WI 54455
Board Room (Lower Level)
October 24, 2022 –5:00 PM

Section 3, ItemD.

PLEASE NOTE: ZOOM ACCESS HAS BEEN PLACED ON HOLD

Regular Board Meeting

1. **Call meeting to order:**
 - 1.1. Pledge of Allegiance
 - 1.2. Roll Call
 - 1.3. Announcement of Closed Session
2. **Public Comment** - *(Please be advised per State Statute Section 19.84(2), information will be received from the public. It is the policy of this Village that Public Comment will take no longer than 15 minutes with a three-minute time period, per person, with time extension per the Chief Presiding Officer's discretion. Be further advised that there may be limited discussion on the information received, however, no action will be taken under public comments*
3. **Closed session pursuant to Wis. Stat. § 19.85(1)(f), considering financial, medical, social or personal histories or disciplinary data of specific persons, preliminary consideration of specific personnel problems or the investigation of charges against specific persons except where par. (b) applies which, if discussed in public, would be likely to have a substantial adverse effect upon the reputation of any person referred to in such histories or data, or involved in such problems or investigations. To wit: details surrounding payout and resignation of former Village Administrator and Closed session pursuant to Wis. Stat. § 19.85(1)(g), conferring with legal counsel for the governmental body who is rendering oral or written advice concerning strategy to be adopted by the body with respect to litigation in which it is or is likely to become involved. To wit: details surrounding payout and resignation of former Village Administrator**

Consideration of Motion to convene into Closed Session pursuant to Wis. Stat. §19.85(1)(c) for consideration of employment, promotion, compensation or performance evaluation data of any public employee over which the governmental body has jurisdiction or exercises responsibility – to wit Water-Sewer Crew Teamsters Joint Council No. 392 2023 wage & language proposal. And Community Development Position.
4. **Consideration of Motion to Reconvene into Open Session**
5. **Discussion and Action:** Considering financial, medical, social or personal histories or disciplinary data of specific persons, preliminary consideration of specific personnel problems or the investigation of charges against specific persons except where par. (b) applies which, if discussed in public, would be likely to have a substantial adverse effect upon the reputation of any person referred to in such histories or data, or involved in such problems or investigations AND Conferring with legal counsel for the governmental body who is rendering oral or written advice concerning strategy to be adopted by the body with respect to litigation in which it is or is likely to become involved. details surrounding payout and resignation of former Village Administrator.

Discussion and Action: Consideration of employment, promotion, compensation or performance evaluation. Water-Sewer Crew Teamsters Joint Council No. 392 2023 wage & language proposal. And Community Development Position.

- Posted:10/21/2022 Kronenwetter Municipal Center and www.kronenwetter.org
Faxed:10/21/2022 Wausau Daily Herald, WAOW, WSAW, WSAU, and Mosinee Times
- NOTE: Requests from persons with disabilities who need assistance to participate in this meeting or hearing should be made at least 24 hours in advance to the Village Clerk's office at (715) 693-4200 during business hours.

MEETING DATE: 10/24/2022		REPORT TO APC		AGENDA 10.1
PRESENTING COMMITTEE: APC		COMMITTEE CONTACT: Ken Charneski	STAFF CONTACT: Duane Gau, Interim Administrator/Deputy Fire Chief Theresa O'Brien	PREPARED BY: Theresa O'Brien
ISSUE: Discussion and Action: Authorization for Fire Department Fire Chief/And or Deputy Fire Chief/EMS Coordinator to expense EMS Flex Grant				
OBJECTIVES: To allow the Fire Chief and/or the Deputy Fire Chief EMS Coordinator to expense funds from the EMS Flex Grant without waiting for continued approval of expenditures.				
ISSUE BACKGROUND/PREVIOUS ACTIONS: Deputy Chief/EMS Coordinator Theresa O'Brien applied for and received \$143,000 in grant funding from the State of Wisconsin EMS Flex Grant. \$50,000 of this grant was for a purchase of a new EMS Response Vehicle. With the automobile market currently we are not afforded the time to get quotes and approvals from all committees/board before purchasing. We are currently actively looking for vehicles but cannot commit to purchase unless we are given authorization to expense the grant funds. In addition, the \$18000 of the grant was received for purchase of a LUCAS Automated CPR Device – this equipment is in line with what other local departments currently carry.				
EMS FLEX GRANT FUNDS				
Grant	Amount	Notes		
EMS Truck ***	\$50,000	Currently getting quotes from Dodge/GMC/Ford - 1/2- and 3/4-Ton Pickups. APC recommended that ARPA funds of \$30,000 be allocated to this purchase		
LUCAS CPR Device	\$18,000	Quote \$18003		
AEDS/RADIOS	\$10,000	Quote on AEDs		
EMS Training	\$15,000	Can be used to pay for EMS classes/wages during training		
EMS Recruitment	\$50,000	\$5200 to cover 1st year of EMS weekend on call program, \$400 For WEMSA (Wisconsin EMS Assoc) Dues - with this comes additional opportunities for grants, discounts on equipment and more training opportunities and other Recruitment efforts		
Proposal: Grant the fire department authority to spend/expense grant money from EMS Flex Grant				
ADVANTAGES: Able to purchase equipment when found				
DISADVANTAGES: N/A.				
ITEMIZE ALL ANTICIPATED COSTS (Direct or Indirect, Start-Up/One-Time, Capital, Ongoing & Annual, Debt Service, etc.)				
RECOMMENDED ACTION: M Motion to authorize Fire Department Fire Chief/EMS Coordinator to expense EMS Flex Grant, which allows \$30,000 from the ARPA fund to support the EMS Truck				
OTHER OPTIONS CONSIDERED: N/A				
TIMING REQUIREMENTS/CONSTRAINTS: N/A				
FUNDING SOURCE(s) – Must include Account Number/Description/Budgeted Amt CFY/% Used CFY/\$ Remaining CFY EMS Flex Grant				

MEETING DATE: 10/24/2022	<h1 style="text-align: center;">REPORT TO VILLAGE BOARD</h1>			AGENDA
PRESENTING COMMITTEE: APC	COMMITTEE CONTACT: Ken Charneski	STAFF CONTACT: Duane Gau, Interim Administrator/Theresa O'Brien Fire Chief	PREPARED BY: Theresa O'Brien	
ISSUE: Fire Department Purchase of Engine #2 – Equipment Replacement Fund 2023-				
OBJECTIVES: To replace Fire Department's Engine 2. There have been some major issues with the pump/foam system on Engine 2 in addition to a number of mechanical issues early in 2022. Repairs and Maintenance continue to rise each year due to outdated and unfixable parts due to age of truck and pump operations. Currently the Foam system no longer works and is not fixable.				
ISSUE BACKGROUND/PREVIOUS ACTIONS: <p>Fire Dept Purchase of Engine #2 – Equipment Replacement Fund – this was moved forward from the 10/11/22 APC meeting with the caveat that this is what is needed for future growth – The FD Officer core met to discuss and we determined at this time that yes the engine as presented would meet the village's needs – however if the growth of the village continues then the discussion should include the needs of a ladder truck which would better meet the needs of the Village of Kronenwetter especially given the potential growth, ie: Wisconsin Public Service, Apartments, business growth around business 51. Currently SAFER, Wausau and Riverside have ladder trucks however use of them within our village is dependent on availability at the time it is needed.</p> <p>After the previous APC meeting and the direction we were given, we did reach out to get prices on a ladder truck for comparisons. At this time there is currently a "Quint" (an apparatus that combines the equipment capabilities of a ladder truck and the water pumping capabilities of a fire engine) that is being built that has a chassis and pump similar to our Engine 1 (most recent purchase) and would actually be available late December to Early January – otherwise a build to order aerial is 28-30 months. Ballpark price of this truck is approximately \$1,325,000.</p> <p>Initial quote on just the engine is \$665,350.00</p> <p>At this time the need to replace our current Engine 2 is great – it has had several failures over the last few years and due to the age of the truck it is getting harder to find replacement parts which also means those repairs are getting more expensive. Realizing the cost difference between an Engine and a Ladder truck is extensive and at this time it may not be financially feasible, we have to continue to look at what can be done to replace this engine before it has a permanent failure.</p> <p>Initial Report to APC: The Fire Department Deputy Fire Chief Jason Budnik has received a quote from Pomasl Fire Equipment for a replacement Engine. This quote is for an engine similar to our Engine 1 which some minor compartment changes. The quote is for \$665,350.00. Delivery would be 28.5-29.5 months after receipt of a signed order. A down payment is not required and the chassis would need to be paid for approximately 4 months prior to final delivery. A discount is offered for any payments made at the time of order or any time prior to the delivery. An expected increase of 6.5% to begin 11/1/2022 on all products – this increase is to cover any price increases between receipt of order and delivery of the apparatus.</p> <p>Following is an estimated replacement list for FD large equipment items:</p>				

EQUIPMENT	YEAR	MAKE	MODEL	DESIRED YEAR OF REPLACEMENT	YEARS OF SERVICE	ACTUAL REPLACEMENT YEAR	YEARS OUT
Engine 1	2019	Pierce	Enforcer	2039	20	2039	18
Engine 2	1999	Sterling	Fort Garry	2023	24	2023	2
Tanker 2	2015	Peterbilt	PB348	2035	20	2035	14
Rescue 6	2009	Kenworth		2029	20	2029	8
Brush 1	2020	Ford	F550	2040	20	2040	19
Rescue 1	1996	Chevrolet	3500	2026	30	2026	5
Car 2	2006	Chevrolet	2500		15		
Extrication Tools	2022	TNT		2037	15		15
UTV	2016	John Deere	825i	2036	20	2036	15
SCBA w/bottle & Masks	2018	MSA	G2	2028	10	2028	7

PROPOSAL:

To send it back to APC to discuss options around the purchase of a Ladder Truck **OR** To approve the use of \$432,747 ARPA funds in 2022, and additional \$200,000 2023 to fund the replacement of the fire departments Engine 2

ADVANTAGES:

Be able to order before continued price increases

DISADVANTAGES:

Waiting to order the truck will subject us to continued price increases and put the Fire Department in jeopardy of having a 2nd engine for coverage during fire calls.

ITEMIZE ALL ANTICIPATED COSTS (Direct or Indirect, Start-Up/One-Time, Capital, Ongoing & Annual, Debt Service, etc.)

\$665,350.00

RECOMMENDED ACTION:

Recommendation to the Village Board to approve purchase of Fire Engine to replace Engine #2. Initial funds for down payment for 2022 will come from ARPA funds.

OTHER OPTIONS CONSIDERED:

N/A

TIMING REQUIREMENTS/CONSTRAINTS:

Pierce Manufacturing will have a 6.5% increase on 11/1/2022 on all products. This would be an approximate addition to cost of \$39,000.

FUNDING SOURCE(s) – Must include Account Number/Description/Budgeted Amt CFY/% Used CFY/\$ Remaining CFY

Multiple – ARPA funds of \$432,747 for 2022, Equipment Replacement \$200,000 for 2023.

ATTACHMENTS (describe briefly):

GENERAL OBLIGATION PROMISSORY NOTE

UNITED STATES OF AMERICA
STATE OF WISCONSIN
VILLAGE OF KRONENWETTER

original date of issue:

01-24-2023

REGISTERED OWNER: CoVantage Credit Union

PRINCIPAL AMOUNT: SEVEN HUNDRED THIRTY-TWO THOUSAND TWO HUNDRED EIGHT & 00/100 DOLLARS
(\$732,208.00)

Section 1. Payment Schedule. KNOW ALL MEN BY THESE PRESENTS, that the Village of Kronenwetter, Marathon County(ies), Wisconsin (the "Issuer"), hereby acknowledges itself to owe and for value received promises to pay to the registered owner identified above, or to registered assigns, (the "Lender") the principal amount identified above, payable with interest at the rate of 3.940% per annum as follows:

Borrower will pay this loan in 9 payments of \$90,027.77 each payment and an irregular last payment estimated at \$90,027.80. Borrower's first payment is due January 25, 2024, and all subsequent payments are due on the same day of each year after that. Borrower's final payment will be due on January 25, 2033, and will be for all principal and all accrued interest not yet paid. Payments include principal and interest.

Both the principal of and interest on this Note are payable to the Lender in lawful money of the United States at the office of the Lender. Payment of the last installment of principal of this Note shall be made upon presentation and surrender hereof to the Issuer's Clerk or Treasurer.

Interest on this Note is computed on a 365/365 simple interest basis; that is, by applying the ratio of the interest rate over the number of days in a year, multiplied by the outstanding principal balance, multiplied by the actual number of days the principal balance is outstanding. All interest payable under this Note is computed using this method.

Section 2. Other Charges. If any payment (other than the final payment) is not made on or before the 10th day after its due date, Lender may collect a delinquency charge of 5.000% of the unpaid amount. Unpaid principal and interest bear interest after maturity until paid (whether by acceleration or lapse of time) at the rate of 12.000% per year, computed on the basis of a 365 day year. Issuer agrees to pay a charge of \$20.00 for each check presented for payment under this Note which is returned unsatisfied.

Section 3. Security. For the prompt payment of this Note together with interest hereon as aforesaid and for the levy of taxes sufficient for that purpose, the full faith, credit and resources of the Issuer are hereby irrevocably pledged.

Section 4. Purpose and Authorization. This Note is issued pursuant to the provisions of Section 67.12(12), Wisconsin Statutes, for the purpose of paying the cost of the "Borrowing Purpose" as defined and authorized by a resolution of the Issuer's Village Board (the "Governing Body") duly adopted at a meeting held on 10-24-2022. Said resolution is recorded in the official minutes of the Governing Body for said date.

Section 5. Prepayment. This Note is not subject to redemption prior to maturity. All prepayments, if applicable, shall be applied first upon the unpaid interest and then applied upon the unpaid principal in inverse order of maturity.

Section 6. Transferability. This Note is transferable by a written assignment, in a form satisfactory to the Issuer's Clerk, duly executed by the registered owner hereof or by such owner's duly authorized legal representative. Upon such transfer a new registered Note may be issued to the transferee in exchange hereof if requested by said transferee. The Issuer may deem and treat the registered owner hereof as the absolute owner hereof for the purpose of receiving payment of or on account of principal hereof, and interest due hereon and for all other purposes, and the Issuer shall not be affected by notice to the contrary.

Section 7. Certifications. It is hereby certified and recited that all conditions, things and acts required by law to exist or to be done prior to and in connection with the issuance of this Note have been done, have existed and have been performed in due form and time; that the aggregate indebtedness of the Issuer, including this Note, does not exceed any limitation imposed by law or the Constitution of the State of Wisconsin; and that a direct annual irrepealable tax has been levied sufficient to pay this Note, together with the interest thereon, when and as payable. It is hereby further certified that the Issuer has designated this Note to be a "qualified tax-exempt obligation" pursuant to the provisions of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.

Section 8. Default. Upon the occurrence of any one or more of the following events of default, then the unpaid balance shall, at the option of Lender, without notice, mature and become immediately payable: (a) Issuer fails to pay any amount when due under this Note or under any other instrument evidencing any indebtedness of Issuer to Lender; (b) any representation or warranty made under this Note or information provided by Issuer to Lender in connection with this Note is or was false or fraudulent in any material respect; (c) a material adverse change occurs in Issuer's financial condition; (d) Issuer fails to timely observe or perform any of the covenants or duties in this Note; (e) an event of default occurs under any agreement securing this Note; or (f) Lender deems itself insecure. The unpaid balance shall automatically mature and become immediately payable in the event Issuer becomes the subject of bankruptcy or other insolvency proceedings. Lender's receipt of any payment on this Note after the occurrence of an event of default shall not constitute a waiver of the default of the Lender's rights and remedies upon such default.

Section 9. Issuer Obligations. Issuer agrees to pay all costs of collection before and after judgment, including, without limitation, reasonable attorney's fees (including those incurred in successful defense or settlement of any counterclaim brought by Issuer or incident to any action or proceeding involving Issuer brought pursuant to the United States Bankruptcy Code) and waive presentment, protest, demand and notice of dishonor. Subject to Wis. Stat. § 893.80, Issuer agrees to indemnify and hold harmless Lender, its directors, officers and agents, from and under this Note or the activities of Issuer. This indemnity shall survive payment of this Note. Issuer acknowledges that Lender has not made any representation or warranties with respect to, and the Lender does not assume any responsibility to Issuer for, the collectability or enforceability of this Note or the financial condition of Issuer. Issuer has independently determined the collectability and enforceability of this Note. Issuer authorizes Lender to disclose financial and other information about Issuer to others.

Section 10. Waiver. No failure on the part of Lender to exercise, and no delay in exercising, any right, power or remedy under this Note shall

GENERAL OBLIGATION PROMISSORY NOTE
(Continued)

Loan No: 377458-0001

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operate as a waiver of such right, power or remedy; nor shall any single or partial exercise of any right under this Note preclude any other or further exercise of the right or the exercise of any other right.

Section 11. Rights of Lender. The remedies provided in this Note are cumulative and not exclusive of any remedies provided by law. Without affecting the liability of Issuer, Lender may, without notice, accept partial payments, release or impair any collateral security for the payment of this Note or agree not to sue any party liable on it. Without affecting the liability of Issuer, Lender may from time to time, without notice, renew or extend the time for repayment subject to the time limits prescribed in Wis. Stat. § 67.12(12).

Section 12. Venue: Interpretation. Unless otherwise prohibited by law, the venue for any legal proceeding relating to collection of this Note shall be, at Lender's option: (a) the county in which Lender has its principal office in this state; (b) the county in which Issuer is located; (c) or the county in which this Note was executed by Issuer. This Note is intended by Issuer and Purchase as the final expression of this Note and as a complete and exclusive statement of its terms, there being no conditions to the enforceability of this Note. This Note may not be supplemented or modified except in writing. This Note benefits Lender, its successors and assigns and binds Issuer and its successors and assigns. The validity, construction and enforcement of this Note are governed by the internal laws of Wisconsin. Invalidity or unenforceability of any provision of this Note shall not affect the validity or enforceability of any other provisions of this Note.

IN WITNESS WHEREOF, the Issuer, by its Governing Body, has caused this Note to be executed for it and in its name by the signatures of its duly qualified President and Clerk or persons authorized by law to sign on their behalf, and to be sealed with its official or corporate seal, if any, all as of the original date of issue identified above.

VILLAGE OF KRONENWETTER, WISCONSIN:

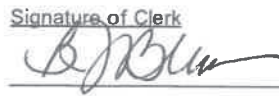
(Seal)

By: 
Chris Voll, President

By: 
Bobbi Brk-LaBarge, Clerk

REGISTRATION

This Note shall be registered in registration records kept by the Clerk of the Issuer, such registration to be noted in the registration blank below and upon said registration records, and this Note may thereafter be transferred only in accordance with the terms of this Note, such transfer to be made on such records and endorsed hereon.

Date of Registration	Name of Lender	Signature of Clerk
01-23-2023	CoVantage C.U.	

RESOLUTION

RESOLUTION NO. 1

RESOLUTION AUTHORIZING THE BORROWING
OF \$732,208.00;
PROVIDING FOR THE ISSUANCE AND SALE OF A
GENERAL OBLIGATION PROMISSORY NOTE THEREFOR; AND
LEVYING A TAX IN CONNECTION THEREWITH

WHEREAS, the Village Board (the "Governing Body") hereby finds and determines that it is necessary, desirable and in the best interest of the Village of Kronenwetter, Marathon County(ies), Wisconsin (the "Issuer") to raise funds for the purpose of:

Purchase Fire Engine

(the "Borrowing Purpose"); and

WHEREAS, the Governing Body hereby finds and determines that the Borrowing Purpose is within the Issuer's power to undertake and therefore serves a "public purpose" as that term is defined in Section 67.04(1)(b) of the Wisconsin Statutes; and

WHEREAS, the Issuer is authorized by the provisions of Section 67.12(12) of the Wisconsin Statutes to borrow money and issue general obligation promissory notes for such public purposes.

NOW, THEREFORE, BE IT RESOLVED by the Governing Body of the Issuer that:

Section 1. Authorization of the Note. For the purpose of paying the cost of the Borrowing Purpose, there shall be borrowed pursuant to Section 67.12(12) of the Wisconsin Statutes, the principal sum of \$732,208.00 from CoVantage Credit Union (the "Lender") in accordance with the terms set forth herein.

Section 2. Issuance of the Note. To evidence such indebtedness, the President and the Clerk are hereby authorized, empowered and directed to make, execute, issue and deliver to the Lender for, on behalf of and in the name of the Issuer, a general obligation promissory note aggregating the principal amount of \$732,208.00 (the "Note").

Section 3. Terms of the Note. The Note shall be designated "General Obligation Promissory Note"; shall be dated the date of its issuance; shall bear interest at the rate of 3.940% per annum; and shall be payable as follows:

Borrower will pay this loan in 9 payments of \$90,027.77 each payment and an irregular last payment estimated at \$90,027.80. Borrower's first payment is due January 25, 2024, and all subsequent payments are due on the same day of each year after that. Borrower's final payment will be due on January 25, 2033, and will be for all principal and all accrued interest not yet paid. Payments include principal and interest.

Interest on this Note is computed on a 365/365 simple interest basis; that is, by applying the ratio of the interest rate over the number of days in a year, multiplied by the outstanding principal balance, multiplied by the actual number of days the principal balance is outstanding. All interest payable under this Note is computed using this method.

Section 4. Prepayment Provisions. The Note shall not have prepayment privileges.

Section 5. Form of the Note. The Note shall be issued in registered form and shall be attached hereto and incorporated herein by this reference.

Section 6. Direct Annual Irrepealable Tax Levy. For the purpose of paying the principal of and interest on the Note as the same becomes due, the full faith, credit and resources of the Issuer are hereby irrevocably pledged, and a direct annual irrepealable tax is hereby levied upon all taxable property of the Issuer. Said direct annual irrepealable tax shall be levied in the years and amounts as follows:

<u>Levy Year</u>	<u>Amount</u>
2024	\$90,027.77
2025	\$90,027.77
2026	\$90,027.77
2027	\$90,027.77
2028	\$90,027.77
2029	\$90,027.77
2030	\$90,027.77
2031	\$90,027.77
2032	\$90,027.77
2033	\$90,027.80

The aforesaid direct annual irrepealable tax hereby levied shall be collected in addition to all other taxes and in the same manner and at the same time as other taxes of the Issuer levied in said years are collected. So long as any part of the principal of or interest on the Note remains unpaid, the tax herein above levied shall be and continues irrepealable except that the amount of tax carried onto the tax roll may be reduced in any year by the amount of any surplus in the Debt Service Fund Account created herein. If at any time there shall be on hand insufficient funds from the aforesaid tax levy to meet principal and/or interest payments on the Note when due, the requisite amount shall be paid from other

RESOLUTION (Continued)

Loan No: 377458-0001

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funds of the Issuer then available, which sums shall be replaced upon the collection of the taxes herein levied. In the event the Issuer exercises its prepayment privilege, if any, then no such direct annual tax shall be included on the tax rolls for the prepayments made and the amount of direct annual tax hereinabove levied shall be reduced accordingly for the year or years with respect to which said note was prepaid.

Section 7. Debt Service Fund Account. There is hereby established in the Issuer's treasury a fund account separate and distinct from every other Issuer fund or account designated "Debt Service Fund Account for \$732,208.00 General Obligation Promissory Note." Such fund shall be maintained in accordance with generally accepted accounting practices. There shall be deposited in said fund account any premium plus accrued interest paid on the Note at the time of delivery to the Lender, all money or funds raised by taxation pursuant to Section 6 hereof and all other sums as may be necessary to pay interest on the Note when the same shall become due and to retire the principal installments on the Note. Said fund account shall be used for the sole purpose of paying the principal of and interest on the Note and shall be maintained for such purpose until such indebtedness is fully paid or otherwise extinguished. Sinking funds established for obligations previously issued by the Issuer may be considered as separate and distinct accounts within the Debt Service Fund Account.

Section 8. Segregated Borrowed Money Fund. The proceeds of the Note (the "Note Proceeds") (other than any premium and accrued interest which must be paid at the time of the delivery of the Note into the Debt Service Fund Account created above) shall be deposited into an account separate and distinct from all other funds and be disbursed solely for the purposes for which borrowed or for the payment for the principal of and the interest on the Note.

Section 9. Arbitrage Covenant. The Issuer shall not take any action with respect to the Note Proceeds which, if such action had been reasonably expected to have been taken, or had been deliberately and intentionally taken on the date of the delivery of and payment for the Note (the "Closing"), would cause the Note to be an "arbitrage bond" within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended (the "Code") and any income tax regulations promulgated thereunder (the "Regulations").

The Note Proceeds may be temporarily invested in legal investments until needed, provided however, that the Issuer hereby covenants and agrees that so long as the Note remains outstanding, moneys on deposit in any fund or account created or maintained in connection with the Note, whether such moneys were derived from the Note Proceeds or from any other source, will not be used or invested in a manner which would cause the Note to be an "arbitrage bond" within the meaning of the Code or Regulations.

The Clerk, or other officer of the Issuer charged with responsibility for issuing the Note, shall provide appropriate certifications of the Issuer, for inclusion in the transcript of proceedings, setting forth the reasonable expectations of the Issuer regarding the amount and use of the Note Proceeds and the facts and estimates on which such expectations are based, all as of the Closing.

Section 10. Additional Tax Covenants; Exemption from Rebate; Qualified Tax-Exempt Obligation Status. The Issuer hereby further covenants and agrees that it will take all necessary steps and perform all obligations required by the Code and Regulations (whether prior to or subsequent to the issuance of the Note) to assure that the Note is an obligation described in Section 103(a) of the Code, the interest on which is excluded from gross income for federal income tax purposes, throughout its term. The Clerk or other officer of the Issuer charged with the responsibility of issuing the Note, shall provide appropriate certifications of the Issuer as of the Closing, for inclusion in the transcript of proceedings, certifying that it can and covenanting that it will comply with the provisions of the Code and Regulations.

Further, it is the intent of the Issuer to take all reasonable and lawful actions to comply with any new tax laws enacted so that the Note will continue to be an obligation described in Section 103(a) of the Code, the interest on which is excluded from gross income for federal income tax purposes.

For Note Proceeds allocable to a Borrowing Purpose for new projects or acquisitions, the Issuer reasonably expects to:

- ☐ qualify for the small issuer rebate exception because it (including any entities subordinate to the Issuer) will issue no more than \$5,000,000 of tax-exempt obligations (including the Note(s)) during the current calendar year.
- ☐ qualify for the eighteen month rebate exception under Section 1.148-7(d) of the Regulations.
- ☐ qualify for the two-year rebate exception under Section 148(f)(4) of the Code.
- ☒ not qualify for an exception to rebate.

The Issuer hereby designates the Note to be a "qualified tax-exempt obligation" pursuant to the provisions of Section 265(b)(3) of the Code and in support of such designation, the Clerk or other officer of the Issuer charged with the responsibility for issuing the Note, shall provide appropriate certifications of the Issuer, all as of the Closing.

Section 11. Execution of the Note. The Note shall be prepared in typewritten form, executed on behalf of the Issuer by the manual or facsimile signatures of the President and Clerk, sealed with its official or corporate seal thereof, if any, and delivered to the Lender upon payment to the Issuer of the purchase price thereof, plus accrued interest to the date of delivery; provided that, if this is a refinancing, the refunding Note shall be immediately exchanged for the note being refinanced. In the event that either of the officers whose signatures appear on the Note shall cease to be such officers before the delivery of the Note, such signatures shall nevertheless be valid and sufficient for all purposes to the same extent as if they had remained in office until such delivery. The aforesaid officers are hereby authorized to do all acts and execute all documents as may be necessary and convenient for effectuating the Closing.

Section 12. Payment of the Note. The principal of and interest on the Note shall be paid by the Clerk or Treasurer in lawful money of the United States.

Section 13. Registration and Transfer of Note. The Clerk shall keep records for the registration and for the transfer of the Note. The person in whose name the Note shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes, and payment of either principal or interest on the Note shall be made only to the registered owner thereof. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Note to the extent of the sum or sums so paid. The Note may be transferred by the registered owner thereof by presentation of the Note at the office of the Clerk, duly endorsed for the transfer or accompanied by an assignment duly executed by the registered owner or his legal representative duly authorized in writing. Upon such presentation, the Note shall be transferred by appropriate entry in the registration records and a similar notation, including date of registration, name of new registered owner and signature of the Clerk, shall be made on such Note.

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**RESOLUTION
(Continued)**

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Section 14. Conflicting Resolutions; Severability; Effective Date. All prior resolutions, rules or other actions of the Issuer or any parts thereof in conflict with the provisions hereof shall be, and the same are, hereby rescinded insofar as the same may so conflict. In the event that any one or more provisions hereof shall for any reason be held to be illegal or invalid, such illegality or invalidity shall not affect any other provisions hereof. The foregoing shall take effect immediately upon adoption and approval in the manner provided by law.

Section 15. Financial Reports. Officials of the Issuer are hereby authorized and directed, so long as the Note is outstanding, to deliver to Lender any audit statement or other financial information Lender may reasonably request and to discuss its affairs and finances with Lender.

Adopted and recorded this 24th day of October, 2022.

(Seal)

By: 

Chris Voll, President

ATTEST:

By: 

Bobbi Birk-LaBarge, Clerk

ISSUER'S CERTIFICATE




The undersigned is the duly qualified and acting Clerk of the Village of Kronenwetter, Marathon County(ies), Wisconsin (the "Issuer") who hereby certifies to CoVantage Credit Union ("Lender") that:

I. ISSUER ORGANIZATION AND OFFICERS

1. At all times mentioned herein, the Issuer was duly organized, validly existing and operating as a village administered by a governing body composed of seven (7) members (the "Governing Body"), who are listed below and were duly qualified and acting as such at all times mentioned in this Certificate:

Kim Tapper, Joel Straub, Christopher Eiden, Ken Charneski, Duane Gau, Tim Shaw and Tami Bloch

2. The following named individuals whose authentic signatures are hereto subscribed, are the duly elected, qualified and acting officers of the Issuer presently holding the offices set forth opposite their respective names below:

<u>Name</u>	<u>Office</u>	<u>Manual Signature</u>
Chris Voll	President	
Roger Habeck	Treasurer	
Bobbi Birk-LaBarge	Clerk	

II. AUTHORIZATION OF THE NOTE: OPEN MEETING LAW COMPLIANCE

3. At a lawful, duly-convened open meeting of the Governing Body held at 1582 Kronenwetter Drive, Kronenwetter, WI 54455, Wisconsin at 5:02 pm, on the 24th Day of October, 2022, at which 7 of the members-elect of the Governing Body were present in person, a resolution authorizing the Issuer to borrow the sum of not to exceed \$732,208.00 and issue its General Obligation Promissory Note (the "Note") therefor pursuant to Section 67.12(12), Wis. Stats., (the "Resolution"), was, on motion duly made and seconded, adopted and recorded by the affirmative vote of 7 of the members of the Governing Body. Said meeting of the Governing Body was duly called, noticed, held and conducted in the manner established by the Governing Body and required by pertinent Wisconsin Statutes.

4. The Resolution was on the agenda for said meeting and public notice thereof was given not less than twenty-four (24) hours prior to the commencement of said meeting by (i) posting notice of the meeting; (ii) providing notice to those news media which have filed a written request for notice of meetings; (iii) providing notice to the official newspaper of the Issuer; and (iv) complying with special meeting requirements if said meeting was a special meeting.

5. The Resolution has been duly recorded in the minutes of said meeting, has not been amended or revoked, and, in all other respects, is in full force and effect on the date hereof and there is no proceeding of the Governing Body or Issuer electors in conflict with or in any way altering the effect of the Resolution. A true and correct copy of said Resolution is attached hereto as a part of the transcript of proceedings.

III. DEBT LIMIT COMPLIANCE

6. The full value of all taxable property located within the Issuer's boundaries, as last equalized for State purposes by the Wisconsin Department of Revenue, is \$817,805,900.00. The Department of Revenue Certificate of Equalized Value is attached hereto as a part of the transcript of proceedings.

7. The total outstanding general obligation indebtedness of the Issuer, howsoever incurred, including this Note, aggregates not more than \$9,592,208.00, determined as follows:

<u>Amount</u>	<u>Description of Debt</u>
\$732,208.00	Principal/Issue Amount
\$1,925,000.00	RDA Lease Rev. Refunding Bonds, Series 2016
\$1,040,000.00	G.O. Promissory Notes, Series 2018
\$4,305,000.00	Tax-Exempt G.O. Refunding Bonds, Series 2021A
\$1,590,000.00	Taxable G.O. Refunding Bonds, Series 2021B

IV. DELIVERY: RECEIPT: RECORD BOOK

8. I have delivered the Note to the Lender in the principal amount set forth in and duly authorized by the Resolution.

9. I have received the full principal amount of the Note issued to the Lender.

10. The Lender has complied in all respects with its agreement to lend money on the Note.

11. I have provided and kept and will keep a separate record book in which I have recorded a full and correct statement of every step or proceeding had or taken in the course of issuing the Note referred to herein. The Treasurer is prepared to keep a record of the Note receipted and returned to him or her.

V. NO LITIGATION

12. There is no legislation, reorganization, proceedings or order, controversy or litigation pending or threatened in any manner questioning or affecting the corporate existence of the Issuer; its boundaries; the right or title of any of its officers to his or her respective office; or the due authorization or validity of the Note referred to herein, the Resolution or any of the taxes heretofore levied by the Issuer.

VI. FACTS AND REASONABLE EXPECTATIONS RELATING TO ARBITRAGE REQUIREMENTS

ISSUER'S CERTIFICATE (Continued)

Loan No: 377458-0001

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13. The certifications made in this Section VI of this Certificate are being made pursuant to Section 1.148-1 through 1.148-11 of the Income Tax Regulations and the applicable provisions of the Internal Revenue Code of 1986, as amended (the "Regulations" and "Code," respectively).

14. The Issuer is a governmental unit with general taxing powers.

15. All of the proceeds of the Note (the "Note Proceeds") shall be used for governmental purposes of the Issuer. None of the Note Proceeds will be used (directly or indirectly) in a trade or business carried on by any person (other than a governmental unit), and none of the payments on the Note are (directly or indirectly): (a) secured by any interest in property used or to be used for a trade or business or payments in respect of such property; or (b) derived from payments (whether or not to the Issuer) in respect of property or borrowed money, used or to be used for a trade or business.

16. None of the Note Proceeds will be used (directly or indirectly) to make or finance loans to persons other than government units.

17. The estimated total cost of the Borrowing Purpose is \$732,208.00. "Borrowing Purpose" has the meaning given in the attached Resolution.

18. The Note Proceeds and earnings on temporary investment thereof will not exceed the amount necessary for the Borrowing Purpose by more than the lesser of \$100,000 or Five Percent (5%) of the Note Proceeds.

19. If the Borrowing Purpose includes funding new projects or acquisitions:

a) The Note Proceeds and any money received from the investment or reinvestment of Note Proceeds, and from investment of money derived from such investments, will be expended on the costs of the Borrowing Purpose within three (3) years from the date of this Certificate.

b) The Issuer has heretofore entered into some substantial binding obligations for the Borrowing Purpose and will, within six (6) months of the date of this Certificate, enter into additional substantial binding obligations requiring payment by the Issuer of not less than Five Percent (5%) of the Note Proceeds.

c) Work on some elements of the Borrowing Purpose has begun. Work on all elements of the Borrowing Purpose will proceed with due diligence to completion.

d) The Issuer reasonably expects to:

☐ qualify for the small issuer rebate exception because it (including any entities subordinate to the Issuer) will issue no more than \$5,000,000 of tax-exempt obligations (including the Note) during the current calendar year.

☐ qualify for the eighteen month rebate exception under Section 1.148-7(d) of the Regulations.

☐ qualify for the two-year rebate exception under Section 148(f)(4) of the Code.

☒ not qualify for an exception to rebate.

20. If the Borrowing Purpose includes refunding outstanding obligations of the Issuer:

a) The obligations being refunded will be discharged within 30 days of the date hereof.

b) There are no remaining original or investment proceeds of the obligations being refunded, so that there are no "transferred proceeds" with respect to the Note.

c) All of the Note Proceeds will be expended within six months of the date hereof.

d) The Issuer expected on the date the obligations being refunded were issued that at least 85% of the spendable proceeds of the refunded obligations would be used to carry out the governmental purposes of those obligations within a three year period beginning on such date, and not more than 50% of the proceeds of the refunded obligations were invested in investments having a substantially guaranteed yield for four years or more.

21. None of the Note Proceeds will be invested in a reserve or replacement fund.

22. There are no other obligations of the Issuer which (a) were sold at substantially the same time as the Note; (b) were sold pursuant to a common plan of financing together with the Note; and (c) will be paid out of substantially the same source of funds as the Note.

23. None of the Note Proceeds are being invested in investments having a substantially guaranteed yield for a period of four years or more.

24. The issuance of the Note is not a transaction or part of a series of transactions which the Issuer has employed that attempts to circumvent the Regulations or Code for the purpose of enabling the Issuer to exploit the difference between tax-exempt and taxable interest rates to gain a material financial advantage and which increases the burden on the market for tax-exempt obligations.

VII. BONA FIDE DEBT SERVICE FUND ACCOUNT

25. The Issuer has created a segregated debt service fund account pursuant to Section 7 of the Resolution (the "Debt Service Fund Account").

26. The Debt Service Fund Account shall be used primarily to achieve proper matching of revenues and debt service within each note year. Amounts deposited in the Debt Service Fund Account will be depleted at least once a year except for a reasonable carryover amount which will not exceed the greater of (a) one year's earnings on such funds, or (b) one-twelfth of the annual debt service on the Note.

27. The Issuer does not anticipate that the earnings on amounts in the Debt Service Fund Account will ever exceed \$100,000 in any note year.

28. Other than the Debt Service Fund Account, the Issuer has not created or established, and does not expect to create or establish, any

Loan No: 377458-0001

**ISSUER'S CERTIFICATE
(Continued)**

Page 3

sinking or other similar account which is reasonably expected to be used to pay debt service on the Note or which is pledged as collateral for the Note or to replace funds that will be used to pay debt service on the Note.

VIII. QUALIFIED TAX-EXEMPT OBLIGATIONS

29. The Note constitutes a "qualified tax-exempt obligation" as that term is defined in the Code in that:

- a) as described in Paragraphs 15 and 16 of this Certificate, the Note is not a "private activity bond" as defined in the Code;
- b) the Issuer has designated the Note as a "qualified tax-exempt obligation";
- c) The Note, together with any other obligations heretofore designated as "qualified tax-exempt obligations" during the current calendar year, aggregate less than \$10,000,000; and
- d) The Issuer does not reasonably expect to issue more than \$10,000,000 of obligations which are designated as "qualified tax-exempt obligations" during the current calendar year.

IX. MISCELLANEOUS

30. The payment of principal or interest with respect to the Note will not be guaranteed, either directly or indirectly, in whole or in part, by the United States or any agency or instrumentality thereof. None of the Note Proceeds will be (i) used in making loans the payment of principal or interest with respect to which are to be guaranteed, in whole or in part, by the United States or any agency or instrumentality thereof, or (ii) invested directly or indirectly in federally insured deposits or accounts, except for proceeds invested during permitted temporary periods or in the debt service fund for the Note or as otherwise permitted under Section 149(b)(3) of the Code.

31. With respect to a Borrowing Purpose that includes funding for new projects or acquisitions, any expenditures already paid by the Issuer for which the Issuer is to be reimbursed with Note Proceeds (a) were paid no more than 60 days before the date on which the Issuer adopted the resolution authorizing the issuance of the Note or stating its intention to reimburse itself from the Note Proceeds for any expenditures relating to said new projects or acquisitions which it paid from other funds prior to receipt of the Note Proceeds, or (b) are preliminary expenditures relating to said new projects or acquisitions (such as architectural, engineering, surveying, soil testing and similar costs but not including land acquisition, site preparation and similar costs incident to the commencement of construction) which are in an amount which is less than 20% of the issue price of the Note.

The undersigned hereby certifies that the above-stated facts are true and correct and the above-stated expectations of the Issuer are reasonable, and there are no other facts, estimates or circumstances that would materially change the foregoing conclusions.

IN WITNESS WHEREOF, I have executed this Certificate in my official capacity effective as of the original date of issue of the Note.

By: 
Bobbi Birk-LaBarge, Clerk

Approved as correct:

By: 
Chris Voll, President

By: 
Roger Habeck, Treasurer

INVESTMENT REPRESENTATION

The undersigned duly authorized officer of CoVantage Credit Union ("Lender") located in Antigo, Wisconsin, hereby certifies with respect to the purchase of that certain \$732,208.00 Promissory Note dated January 24, 2023, issued by the Village of Kronenwetter, Marathon County(wis), Wisconsin, that the Lender is purchasing said note for investment purposes and will not resell said note, except to another depository institution or depository institutions which will also make this certification. This Investment Representation is dated January 24, 2023.

LENDER:

COVANTAGE CREDIT UNION

By: _____
Matthew Meidl, Vice President

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Form **8038-G**

(Rev. September 2018)

Information Return for Tax-Exempt Governmental Bonds

► Under Internal Revenue Code section 149(e)

► See separate instructions.

Department of the Treasury
Internal Revenue ServiceCaution: If the issue price is under \$100,000, use Form 8038-GC.
► Go to www.irs.gov/F8038G for instructions and the latest information.

OMB No. 1545-0720

Part I Reporting Authority		If Amended Return, check here <input type="checkbox"/>	
1 Issuer's name Village of Kronenwetter		2 Issuer's employer identification number (EIN) 71-0916099	
3a Name of person (other than issuer) with whom the IRS may communicate about this return (see instructions)		3b Telephone number of other person shown on 3a	
4 Number and street (or P.O. box if mail is not delivered to street address) 1582 Kronenwetter Dr	Room/suite	5 Report number (For IRS Use Only) 3	
6 City, town, or post office, state, and ZIP code Kronenwetter, WI 54455		7 Date of issue 01-24-2023	
8 Name of issue		9 CUSIP number	
10a Name and title of officer or other employee of the issuer whom the IRS may call for more information (see instructions)		10b Telephone number of officer or other employee shown on 10a	

Part II Type of Issue (enter the issue price). See the instructions and attach schedule.

11 Education	11
12 Health and hospital	12
13 Transportation	13
14 Public safety	14
15 Environment (including sewage bonds)	15
16 Housing	16
17 Utilities	17
18 Other. Describe ►	18 732,208.00
19a If bonds are TANs or RANs, check only box 19a <input type="checkbox"/>	
b If bonds are BANs, check only box 19b <input type="checkbox"/>	
20 If bonds are in the form of a lease or installment sale, check box <input type="checkbox"/>	

Part III Description of Bonds. Complete for the entire issue for which this form is being filed.

	(a) Final maturity date	(b) Issue price	(c) Stated redemption price at maturity	(d) Weighted average maturity	(e) Yield
21	01-25-2033	\$ 732,208.00	\$ 732,208.00	years	%

Part IV Uses of Proceeds of Bond Issue (including underwriters' discount)

22 Proceeds used for accrued interest	22
23 Issue price of entire issue (enter amount from line 21, column (b))	23 732,208.00
24 Proceeds used for bond issuance costs (including underwriters' discount)	24
25 Proceeds used for credit enhancement	25
26 Proceeds allocated to reasonably required reserve or replacement fund	26
27 Proceeds used to refund prior tax-exempt bonds. Complete Part V	27
28 Proceeds used to refund prior taxable bonds. Complete Part V	28
29 Total (add lines 24 through 28)	29
30 Nonrefunding proceeds of the issue (subtract line 29 from line 23 and enter amount here)	30 732,208.00

Part V Description of Refunded Bonds. Complete this part only for refunding bonds.

31 Enter the remaining weighted average maturity of the tax-exempt bonds to be refunded	years
32 Enter the remaining weighted average maturity of the taxable bonds to be refunded	years
33 Enter the last date on which the refunded tax-exempt bonds will be called (MM/DD/YYYY)	
34 Enter the date(s) the refunded bonds were issued ► (MM/DD/YYYY)	

For Paperwork Reduction Act Notice, see separate instructions.

Cat. No. 63773S

Form **8038-G** (Rev. 9-2018)

Part VI Miscellaneous

35 Enter the amount of the state volume cap allocated to the issue under section 141(b)(5)	35	732,208.00
36a Enter the amount of gross proceeds invested or to be invested in a guaranteed investment contract (GIC). See instructions	36a	
b Enter the final maturity date of the GIC ▶ (MM/DD/YYYY) _____		
c Enter the name of the GIC provider ▶ _____		
37 Pooled financings: Enter the amount of the proceeds of this issue that are to be used to make loans to other governmental units	37	
38a If this issue is a loan made from the proceeds of another tax-exempt issue, check box <input type="checkbox"/> and enter the following information:		
b Enter the date of the master pool bond ▶ (MM/DD/YYYY) _____		
c Enter the EIN of the issuer of the master pool bond ▶ _____		
d Enter the name of the issuer of the master pool bond ▶ _____		
39 If the issuer has designated the issue under section 265(b)(3)(B)(i)(III) (small issuer exception), check box		<input type="checkbox"/>
40 If the issuer has elected to pay a penalty in lieu of arbitrage rebate, check box		<input type="checkbox"/>
41a If the issuer has identified a hedge, check here <input type="checkbox"/> and enter the following information:		
b Name of hedge provider ▶ _____		
c Type of hedge ▶ _____		
d Term of hedge ▶ _____		
42 If the issuer has superintegrated the hedge, check box		<input type="checkbox"/>
43 If the issuer has established written procedures to ensure that all nonqualified bonds of this issue are remediated according to the requirements under the Code and Regulations (see instructions), check box		<input type="checkbox"/>
44 If the issuer has established written procedures to monitor the requirements of section 148, check box		<input type="checkbox"/>
45a If some portion of the proceeds was used to reimburse expenditures, check here <input type="checkbox"/> and enter the amount of reimbursement ▶ _____		
b Enter the date the official intent was adopted ▶ (MM/DD/YYYY) _____		

Signature and Consent

Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. I further declare that I consent to the IRS's disclosure of the issuer's return information, as necessary to process this return, to the person that I have authorized above.

▶ 
Signature of issuer's authorized representative

Date

▶ 
Type or print name and title

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
Firm's name ▶	Firm's EIN ▶			
Firm's address ▶	Phone no.			

Instructions for Form 8038-G

(Rev. September 2018)

Information Return for Tax-Exempt Governmental Bonds



Section 3, Item D.
Department of the Treasury
Internal Revenue Service

Section references are to the Internal Revenue Code unless otherwise noted.

Future Developments

For the latest information about developments related to Form 8038-G and its instructions, such as legislation enacted after they were published, go to [IRS.gov/Form8038G](https://www.irs.gov/Form8038G).

What's New

The Tax Cuts and Jobs Act (P.L. 115-97) repealed the exclusion from gross income for interest on bonds issued to advance refund tax-exempt bonds. The repeal applies to advance refunding bonds issued after 2017. A bond is an advance refunding bond if it is issued more than 90 days before the redemption of the refunded bonds.

The Tax Cuts and Jobs Act also repealed the authority to issue tax-credit bonds and direct-pay bonds. The repeal applies to qualified forestry conservation bonds, new clean renewable energy bonds, qualified energy conservation bonds, qualified zone academy bonds, and qualified school construction bonds issued after 2017. The authority to issue recovery zone economic development bonds and build America bonds expired on January 1, 2011.

Note. The creation of an advance refunding escrow account to advance refund tax-credit bonds and/or direct-pay bonds may result in the reissuance of the bonds and the loss of the tax benefits.

General Instructions

Purpose of Form

Form 8038-G is used by issuers of tax-exempt governmental bonds to provide the IRS with the information required by section 149(e) and to monitor compliance with the requirements of sections 141 through 150.

Who Must File

IF the issue price (line 21, column (b)) is...	THEN, for tax-exempt governmental bonds issued after December 31, 1986, issuers must file...
\$100,000 or more	a separate Form 8038-G for each issue.
less than \$100,000	Form 8038-GC, Information Return for Small Tax-Exempt Governmental Bond Issues, Leases, and Installment Sales.

When To File

File Form 8038-G on or before the 15th day of the 2nd calendar month after the close of the calendar quarter in which the bond is issued. Form 8038-G may not be filed before the issue date and must be completed based on the

facts as of the issue date.

Late filing. An issuer may be granted an extension of time to file Form 8038-G under section 3 of Rev. Proc. 2002-48, 2002-37 I.R.B. 531, if it is determined that the failure to file timely is not due to willful neglect. Type or print at the top of the form "Request for Relief under section 3 of Rev. Proc. 2002-48" and attach a letter explaining why Form 8038-G was not submitted to the IRS on time. Also indicate whether the bond issue in question is under examination by the IRS. Do not submit copies of the trust indenture or other bond documents. See **Where To File** next.

Where To File

File Form 8038-G, and any attachments, with the Department of the Treasury, Internal Revenue Service Center, Ogden, UT 84201.

Private delivery services. You can use certain private delivery services (PDS) designated by the IRS to meet the "timely mailing as timely filing" rule for tax returns. Go to [IRS.gov/PDS](https://www.irs.gov/PDS) for the current list of designated services.

The PDS can tell you how to get written proof of the mailing date.

For the IRS mailing address to use if you're using PDS, go to [IRS.gov/PDS/streetAddresses](https://www.irs.gov/PDS/streetAddresses).



PDS can't deliver items to P.O. boxes. You must use the U.S. Postal Service to mail any item to an IRS P.O. box address.

Other Forms That May Be Required

For rebating arbitrage (or paying a penalty in lieu of arbitrage rebate) to the federal government, use Form 8038-T, Arbitrage Rebate, Yield Reduction and Penalty in Lieu of Arbitrage Rebate.

For private activity bonds, use Form 8038, Information Return for Tax-Exempt Private Activity Bond Issues.

Rounding to Whole Dollars

You can round off cents to whole dollars. If you do round to whole dollars, you must round all amounts. To round, drop amounts under 50 cents and increase amounts from 50 to 99 cents to the next dollar (for example, \$1.39 becomes \$1 and \$2.50 becomes \$3).

If two or more amounts must be added to figure the amount to enter on a line, include cents when adding the amounts and round off only the total.

Definitions

Bond. This is any obligation, including bond, note, commercial paper, installment purchase agreement, or financing lease.

Taxable Bond. This is any bond the interest on which is not excludable from gross income under section 103. Taxable bonds include tax credit bonds and direct pay bonds.

Tax-exempt bond. This is any obligation, including a bond, installment purchase agreement, or financial lease, on which the

interest is excluded from income under section 103.

Tax-exempt governmental bond. A tax-exempt bond that is not a private activity bond (see next) is a tax-exempt governmental bond. This includes a bond issued by a qualified volunteer fire department under section 150(e).

Private activity bond. This includes a bond issued as part of an issue in which:

- More than 10% of the proceeds are to be used for any private activity business use; and
- More than 10% of the payment of principal or interest of the issue is either (a) secured by an interest in property to be used for a private business use (or payments for such property), or (b) to be derived from payments for property (or borrowed money) used for a private business use.

It also includes a bond, the proceeds of which (a) are to be used directly or indirectly to make or finance loans (other than loans described in section 141(c)(2)) to persons other than governmental units, and (b) exceeds the lesser of 5% of the proceeds or \$5 million.

Issue price. The issue price of bonds is generally determined under Regulations section 1.148-1(f). Thus, when issued for cash, the issue price is the first price at which a substantial amount of the bonds are sold to the public. To determine the issue price of a bond issued for property, see sections 1273 and 1274 and the related regulations.

Issue. Generally, bonds are treated as part of the same issue if they are issued by the same issuer, on the same date, and in a single transaction, or a series of related transactions (see Regulations section 1.149(e)-1(e)(2)). However, bonds issued during the same calendar year (a) under a loan agreement under which amounts are to be advanced periodically (a "draw-down loan"), or (b) with a term not exceeding 270 days, may be treated as part of the same issue if the bonds are equally and ratably secured under a single indenture or loan agreement and are issued under a common financing arrangement (for example, under the same official statement periodically updated to reflect changing factual circumstances). Also, for bonds issued under a draw-down loan that meet the requirements of the preceding sentence, bonds issued during different calendar years may be treated as part of the same issue if all of the amounts to be advanced under the draw-down loan are reasonably expected to be advanced within 3 years of the date of issue of the first bond. Likewise, bonds (other than private activity bonds) issued under a single agreement that is in the form of a lease or installment sale may be treated as part of the same issue if all of the property covered by that agreement is reasonably expected to be delivered within 3 years of the date of issue of the first bond.

Arbitrage rebate. Generally, interest on a state or local bond is not tax-exempt unless the issuer of the bond rebates to the United States arbitrage profits earned from investing proceeds of the bond in higher yielding nonpurpose investments. See section 148(f).

Construction issue. This is an issue of tax-exempt bonds that meets **both** of the following conditions.

1. At least 75% of the available construction proceeds are to be used for construction expenditures with respect to property to be owned by a governmental unit or a section 501(c)(3) organization.

2. All the bonds that are part of the issue are qualified 501(c)(3) bonds, bonds that are not private activity bonds, or private activity bonds issued to finance property to be owned by a governmental unit or a section 501(c)(3) organization.

In lieu of rebating any arbitrage that may be owed to the United States, the issuer of a construction issue may make an irrevocable election to pay a penalty. The penalty is equal to 1 1/2% of the amount of construction proceeds that do not meet certain spending requirements. See section 148(f)(4)(C) and the Instructions for Form 8038-T.

Pooled financing issue. This is an issue of tax-exempt bonds, the proceeds of which are to be used to finance purpose investments representing conduit loans to two or more conduit borrowers, unless those conduit loans are to be used to finance a single capital project.

Specific Instructions

Part I-Reporting Authority

Amended return. An issuer may file an amended return to change or add to the information reported on a previously filed return for the same date of issue. If you are filing to correct errors or change a previously filed return, check the **Amended Return** box in the heading of the form.

The amended return must provide all the information reported on the original return, in addition to the new or corrected information. Attach an explanation of the reason for the amended return and write across the top, "Amended Return Explanation." Failure to attach an explanation may result in a delay in processing the form.

Line 1. The issuer's name is the name of the entity issuing the bonds, not the name of the entity receiving the benefit of the financing. For a lease or installment sale, the issuer is the lessee or the purchaser.

Line 2. An issuer that does not have an employer identification number (EIN) should apply online by visiting the IRS website at [IRS.gov/EIN](https://www.irs.gov/EIN). The organization may also apply for an EIN by faxing or mailing Form SS-4 to the IRS.

Line 3a. If the issuer wishes to authorize a person other than an officer or other employee of the issuer (including a legal representative or paid preparer) to communicate with the IRS and whom the IRS may contact about this return (including in writing or by telephone), enter the name of such person here. The person listed on line 3a must be an individual. Do not enter the name and title of an officer or other employee of the issuer here (use line 10a for that purpose).

Note. By authorizing a person other than an authorized officer or other employee of the issuer to communicate with the IRS and whom the IRS may contact about this return, the issuer authorizes the IRS to communicate directly with the individual entered on line 3a and consents to disclose the issuer's return

information to that individual, as necessary, to process this return.

Lines 4 and 6. If you listed an individual on line 3a to communicate with the IRS and whom the IRS may contact about this return, enter the number and street (or P.O. box if mail is not delivered to street address), city, town, or post office, state, and ZIP code of that person. Otherwise, enter the issuer's number and street (or P.O. box if mail is not delivered to street address), city, town, or post office, state, and ZIP code.

Note. The address entered on lines 4 and 6 is the address the IRS will use for all written communications regarding the processing of this return, including any notices.

Line 5. This line is for IRS use only. Do not make any entries in this box.

Line 7. The date of issue is generally the first date on which the issuer physically exchanges any bond included in the issue for the underwriter's (or other purchaser's) funds. For a lease or installment sale, enter the date interest starts to accrue in an MM/DD/YYYY format.

Line 8. If there is no name of the issue, please provide other identification of the issue.

Line 9. Enter the CUSIP (Committee on Uniform Securities Identification Procedures) number of the bond with the latest maturity. If the issue does not have a CUSIP number, write "None."

Line 10a. Enter the name and title of the officer or other employee of the issuer whom the IRS may call for more information. If the issuer wishes to designate a person other than an officer or other employee of the issuer (including a legal representative or paid preparer) whom the IRS may call for more information about the return, enter the name, title, and telephone number of such person on lines 3a and 3b.



Complete lines 10a and 10b even if you complete lines 3a and 3b.

Part II-Type of Issue



Elections referred to in Part II are made on the original bond documents, not on this form.

Identify the type of bonds issued by entering the issue price in the box corresponding to the type of bond (see **Issue price** under **Definitions**, earlier). Attach a schedule listing names and EINs of organizations that are to use proceeds of these bonds, if different from those of the issuer, include a brief summary of the use and indicate whether or not such user is a governmental or nongovernmental entity.

Line 18. Enter a description of the issue in the space provided.

Line 19. If the bonds are short-term tax anticipation notes or warrants (TANs) or short-term revenue anticipation notes or warrants (RANs), check box 19a. If the bonds are short-term bond anticipation notes (BANs), issued with the expectation that they will be refunded with the proceeds of long-term bonds at some future date, check box 19b. Do not check both boxes.

Line 20. Check this box if cash is exchanged for the bond, for example, acquiring a police car, a fire truck, or telephone equipment through a series of monthly payments. (This type of bond is sometimes referred to as a "municipal lease.") Also check this box if real property is directly acquired in exchange for a bond to make periodic payments of interest and principal. **Do not** check this box if the proceeds of the bond are received in the form of cash, even if the term "lease" is used in the title of the issue.

Part III-Description of Bonds

Line 21. For column (a), the final maturity date is the last date the issuer must redeem the entire issue.

For column (b), see **Issue price** under **Definitions**, earlier.

For column (c), the stated redemption price at maturity of the entire issue is the sum of the stated redemption prices at maturity of each bond issued as part of the issue. For a lease or installment sale, write "N/A" in column (c).

For column (d), the weighted average maturity is the sum of the products of the issue price of each maturity and the number of years to maturity (determined separately for each maturity and by taking into account mandatory redemptions), divided by the issue price of the entire issue (from line 21, column (b)). For a lease or installment sale, enter instead the total number of years the lease or installment sale will be outstanding.

For column (e), the yield, as defined in section 148(h), is the discount rate that, when used to figure the present value of all payments of principal and interest to be paid on the bond, produces an amount equal to the purchase price, including accrued interest. See Regulations section 1.148-4 for specific rules to figure the yield on an issue. If the issue is a variable rate issue, write "VR" as the yield of the issue. For other than variable rate issues, carry the yield out to four decimal places (for example, 5.3125%). If the issue is a lease or installment sale, enter the effective rate of interest being paid.

Part IV-Uses of Proceeds of Bond Issue

For a lease or installment sale, write "N/A" in the space to the right of the title for Part IV.

Line 22. Enter the amount of proceeds that will be used to pay interest on the issue accruing prior to the date of issue. For definition of date of issue, see these instructions, line 7.

Line 24. Enter the amount of the proceeds that will be used to pay bond issuance costs, including fees for trustees and bond counsel. If no bond proceeds will be used to pay bond issuance costs, enter zero. Do not leave this line blank.

Line 25. Enter the amount of the proceeds that will be used to pay fees for credit enhancement that are taken into account in determining the yield on the issue for purposes of section 148(h) (for example, bond insurance premiums and certain fees for letters of credit).

Line 26. Enter the amount of proceeds that will be allocated to such a fund.

Line 27. Enter the amount of the proceeds that will be used to pay principal, interest, or

call premium on any tax-exempt bonds, including proceeds that will be used to fund an escrow account for this purpose.

Line 28. Enter the amount of the proceeds that will be used to pay principal, interest, or call premium on any taxable bonds, including proceeds that will be used to fund an escrow account for this purpose.

Part V-Description of Refunded Bonds

Complete this part only if the bonds are to be used to refund a prior issue of tax-exempt bonds or taxable bonds. For a lease or installment sale, write "N/A" in the space to the right of the title for Part V.

Lines 31 and 32. The remaining weighted average maturity is determined without regard to the refunding. The weighted average maturity is determined in the same manner as on line 21, column (d).

Line 34. If more than a single issue of tax-exempt bonds or taxable bonds will be refunded, enter the date of issue for each refunded issue. Enter the date in an MM/DD/YYYY format.

Part VI-Miscellaneous

Line 35. An allocation of volume cap is required if the nonqualified amount for the issue is more than \$15 million but is not more than the amount that would cause the issue to be private activity bonds.

Line 36. If any portion of the gross proceeds of the issue is or will be invested in a guaranteed investment contract (GIC), as defined in Regulations section 1.148-1(b), enter the amount of the gross proceeds so invested, as well as the final maturity date of the GIC and the name of the provider of such contract.

Line 37. If the issue is a pooled financing issue (as defined under **Pooled financing issue** in **Definitions**, earlier), enter the amount of the proceeds used to make loans to other governmental units, the interest on which is tax-exempt.

Line 38. If the issue is a loan of proceeds from a pooled financing issue (as defined under **Pooled financing issue** in **Definitions**, earlier), check the box and where asked for the date of issue, EIN, and name of the issuer of the master pool bond, enter the date of issue, EIN, and name of the issuer of the pooled financing issue.

Line 40. Check this box if the issue is a construction issue and an irrevocable election to pay a penalty in lieu of arbitrage rebate has been made on or before the date the bonds were issued. The penalty is payable with a Form 8038-T for each 6-month period after the date the bonds are issued. Do not make any payment of penalty in lieu of arbitrage rebate with this form. See Rev. Proc. 92-22, 1992-1 C.B. 736, for rules regarding the "election document."

Line 41a. Check this box if the issuer has identified a hedge on its books and records according to Regulations sections 1.148-4(h)(2)(viii) and 1.148-4(h)(5) that permit an issuer of tax-exempt bonds to identify a hedge for it to be included in yield calculations for figuring arbitrage.

Line 42. In determining if the issuer has super-integrated a hedge, apply the rules of Regulations section 1.148-4(h)(4). If the hedge is super-integrated, check the box.

Line 43. If the issuer takes a "deliberate action" after the issue date that causes the conditions of the private business tests or the private loan financing test to be met, then such issue is also an issue of private activity bonds. Regulations section 1.141-2(d)(3) defines a deliberate action as any action taken by the issuer that is within its control regardless of whether there is intent to violate such tests. Regulations section 1.141-12 explains the conditions to taking remedial action that prevent an action that causes an issue to meet the private business tests or private loan financing test from being treated as a deliberate action. Check the box if the issuer has established written procedures to ensure timely remedial action for all nonqualified bonds according to Regulations section 1.141-12 or other remedial actions authorized by the Commissioner under Regulations section 1.141-12(h).

Line 44. Check the box if the issuer has established written procedures to monitor compliance with the arbitrage, yield restriction, and rebate requirements of section 148.

Line 45a. Check the box if some part of the proceeds was used to reimburse expenditures. Figure and then enter the amount of proceeds that are used to reimburse the issuer for amounts paid for a qualified purpose prior to the issuance of the bonds. See Regulations section 1.150-2.

Line 45b. An issuer must adopt an official intent to reimburse itself for preissuance expenditures within 60 days after payment of the original expenditure unless excepted by Regulations section 1.150-2(f). Enter the date the official intent was adopted. See Regulations section 1.150-2(e) for more information about official intent.

Signature and Consent

An authorized representative of the issuer must sign Form 8038-G and any applicable certification. Also print the name and title of the person signing Form 8038-G. The authorized representative of the issuer signing this form must have the authority to consent to the disclosure of the issuer's return information, as necessary to process this return, to the person(s) that have been designated in Form 8038-G.

Note. If the issuer in Part I, lines 3a and 3b, authorizes the IRS to communicate (including in writing and by telephone) with a person other than an officer or other employee of the issuer, by signing this form, the issuer's authorized representative consents to the disclosure of the issuer's return information, as necessary to process this return, to such person.

Paid Preparer

If an authorized officer of the issuer filled in this return, the paid preparer's space should remain blank. Anyone who prepares the return but does not charge the organization should not sign the return. Certain others who prepare the return should not sign. For example, a regular, full-time employee of the issuer, such as a clerk, secretary, etc., should not sign.

Generally, anyone who is paid to prepare a return must sign it and fill in the other blanks in the **Paid Preparer Use Only** area of the return.

The paid preparer must:

- Sign the return in the space provided for

the preparer's signature (is acceptable),

- Enter the preparer information, and
- Give a copy of the return to the issuer.

Paperwork Reduction Act Notice. We ask for the information on this form to carry out the Internal Revenue laws of the United States. You are required to give us the information. We need it to ensure that you are complying with these laws.

You are not required to provide the information requested on a form that is subject to the Paperwork Reduction Act unless the form displays a valid OMB control number. Books or records relating to a form or its instructions must be retained as long as their contents may become material in the administration of any Internal Revenue law. Generally, tax returns and return information are confidential, as required by section 6103.

The time needed to complete and file this form varies depending on individual circumstances. The estimated average time is:

Learning about the law or the form 2 hr., 41 min.

Preparing, copying, assembling, and sending the form to the IRS 3 hr., 3 min.

If you have comments concerning the accuracy of these time estimates or suggestions for making this form simpler, we would be happy to hear from you. You can send us comments through IRS.gov/FormComments.

Or you can write to:

Internal Revenue Service
Tax Forms and Publications
1111 Constitution Ave. NW, IR-6526
Washington, DC 20224

Do not send the form to this address. Instead, see **Where To File, earlier.**



Village of Kronenwetter

1582 Kronenwetter Drive; Kronenwetter WI 54455
Office: (715)693-4200; Fax: (715)693-4202

January 23, 2023

Re: Financing for Fire Department purchase of Engine #2 Equipment Replacement Fund 2023-24

Co Vantage Credit Union Financing Department-

The financing for our ladder truck was discussed and approved during our village board meeting that took place on October 24, 2022. The cost of the truck was documented to be roughly \$1,325,000.00. Funds towards the ladder truck in house were \$4000,000.00 from our ARPA funding and \$2000,000.00 from our budgeted equipment fund. Finance Director Roger Habeck was instructed to find the best rate possible for financing the remainder of the balance.

If you have any questions, please contact me at 715-693-4200 ext. 111

Sincerely,

Bobbi Birk-LaBarge

Bobbi Birk-LaBarge
Village of Kronenwetter Village Clerk



REPORT TO VILLAGE BOARD

ITEM NAME: Unlawful
disbursement of Village
funds in excess of \$90,000
MEETING DATE: 21-Feb-24
PRESENTING COMMITTEE:
N/A
COMMITTEE CONTACT: Sean
Dumais
STAFF CONTACT: Lisa
PREPARED BY: Sean Dumais

ISSUE: The Village Treasurer made a disbursement in excess of \$90,000 for the loan payment on the Ladder Truck without Board approval

OBJECTIVES: Prevent future unlawful disbursement of Village funds

ISSUE BACKGROUND/PREVIOUS ACTIONS: With the publishing of the APC packet for the upcoming meeting the Village Treasurer requested a budget amendment to cover the loan payment on the ladder truck. Multiple trustees inquired about how the payment was missed. The treasurer responded via email that at the direction of a single board member, not the Board as a whole, she disbursed the funds and did not miss the due date and incur penalties. This violates multiple state statutes as well as the public trust.

PROPOSAL: Direct the Administrator to implement an immediate schedule of training to educate staff on their duties, obligations, and statutory obligations.

ADVANTAGES: Prevention of further violations of the law as well as public trust

DISADVANTAGES: Continued violations of the law as well as the public trust

ITEMIZE ALL ANTICIPATED COSTS (Direct or Indirect, Start-Up/One-Time, Capital, Ongoing & Annual, Debt Service, etc.)

RECOMMENDED ACTION: Make a motion for the Administrator to identify the root cause of the illegal action and provide immediate education to the staff about the duties and responsibilities of their positions and report back to the Board as he has a plan in place.

OTHER OPTIONS CONSIDERED: None

TIMING REQUIREMENTS/CONSTRAINTS: Immediate

FUNDING SOURCE(s) – Must include Account Number/Description/Budgeted Amt CFY/% Used CFY/\$ Remaining CFY
Account Number:

Description:
Budgeted Amount:
Spent to Date:
Percentage Used:
Remaining:

ATTACHMENTS (describe briefly):



REPORT TO VILLAGE BOARD

ITEM NAME: Individual
Board members authority over staff
MEETING DATE: 21-Feb-24
PRESENTING COMMITTEE:
 N/A
COMMITTEE CONTACT: Sean Dumais
STAFF CONTACT: N/A
PREPARED BY: Sean Dumais

ISSUE: A Village staff member was directed by a singular Board member to take action without the Boards backing or knowledge causing the staff member to do an illegal act

OBJECTIVES: To ensure that staff understands the powers and authorities of the Board as a whole and individual members of the board.

ISSUE BACKGROUND/PREVIOUS ACTIONS: A singular Board member made a decision to instruct staff to do an illegal action. Presumably by virtue of the Board members position the staff member acted upon the unlawful order and committed an unlawful act. There has been a habitual habit of direction being given by individual Board members and staff feeling obligated to follow the unlawful direction due to the position held.

PROPOSAL: Educate both the Staff and the Board members as to the authorities and powers of individual Board members.

ADVANTAGES: Prevent any future misunderstandings between staff and Board members.

DISADVANTAGES:

ITEMIZE ALL ANTICIPATED COSTS (Direct or Indirect, Start-Up/One-Time, Capital, Ongoing & Annual, Debt Service, etc.)

RECOMMENDED ACTION: Make a motion for the Administrator to educate staff about the lawful duties and authorities of the board as individuals and report back to the board upon completion.

OTHER OPTIONS CONSIDERED: None

TIMING REQUIREMENTS/CONSTRAINTS: Immediate

FUNDING SOURCE(s) – Must include Account Number/Description/Budgeted Amt CFY/% Used CFY/\$

Remaining CFY

Account Number:

Description:

Budgeted Amount:

Spent to Date:

Percentage Used:

Remaining:

ATTACHMENTS (describe briefly):

Opinion article from the league of municipalities



Roles and Authority of Governing Body Members

Maria Davis, Assistant Legal Counsel and Claire Silverman,
Legal Counsel, League of Wisconsin Municipalities

League attorneys frequently receive requests for information explaining the duties and authority of governing body members (common council and village board members). Most often, these requests are prompted by situations where a governing body member's authority has been, or is being, questioned. Although the Wisconsin Statutes detail statutory authority and responsibilities for certain governing body members, such as mayors and village presidents, the statutes do not particularly detail or define the responsibilities of alderpersons and trustees.

Mayor

The statutes provide that the mayor and alderpersons shall be the common council.¹ A mayor is the city's chief executive officer.² As that title denotes, mayors possess executive authority, though they exercise administrative authority as well. As the chief executive, the mayor is responsible for ensuring that city ordinances and state laws are observed and enforced, overseeing day-to-day operations, and making sure that all city officers and employees discharge their duties.³ Although mayors do not possess legislative authority (that is reserved for the council, as discussed below), the statutes do provide mayors with certain executive authority relating to the legislative branch. For example, a mayor shall, from time to time, give the council information and make recommendations that the mayor

deems advantageous to the city.⁴ As executive, the mayor also presides at council meetings.⁵ Mayors do not have voting authority on matters before the council, unless there is a tie, in which case the mayor may vote to break the tie. However, the mayor does have the ability to veto acts/decisions of council – though, this is subject to council override.⁶ As chief executive, the mayor is also head of the city's police and fire departments – unless the city's police and fire commission has optional powers.⁷ The statutes also authorize the mayor to make various appointments, which are subject to confirmation by the council unless otherwise provided by law.⁸

Village President

In villages, the village president is a trustee, with a vote on all matters, and shares executive authority with the entire board of trustees. In contrast to mayors, village presidents are not statutorily designated as the village's chief executive officer. However, it's worth noting that there are some statutory references in statutes pertaining to cities, villages, and towns, that refer to "chief executive" and include a corresponding provision defining "chief executive" to include village president.⁹ Some references do not contain a definition and simply refer to the chief executive office of a village.¹⁰ In those instances, it is reasonable to

infer the legislature is referring to the village president.

Although the president is not generally considered a chief executive officer, the president does have certain unique, statutory duties and also serves as a figure-head of sorts for the village. A village president's statutory duties include presiding at all board meetings and signing ordinances, bylaws, regulations, licenses, etc. authorized by the board.¹¹ The president also maintains peace and good order; sees that ordinances are faithfully obeyed; and in case of disturbance, riot or other apparent necessity may appoint as many special marshals as the president deems necessary.¹² Additionally, the president has charge of the village jail, which includes certain recordkeeping duties, but may delegate this responsibility to the village constable or a village police officer.¹³ Unlike mayors, village presidents do not have veto power – because they always have voting authority. The statutory default affords village boards the power to appoint "other officers."¹⁴ However, some statutes specifically give the village president appointing authority for certain offices – e.g., election officials,¹⁵ plan commission,¹⁶ and zoning board of appeals.¹⁷

► p.19

1. Wis. Stat. sec. 62.11(1).

2. Wis. Stat. § 62.09(8)(a).

3. Wis. Stat. § 62.09(8)(a).

4. Wis. Stat. § 62.09(8)(b).

5. Wis. Stat. § 62.09(8)(b).

6. Wis. Stat. § 62.09(8)(c).

7. Wis. Stat. § 62.09(8)(d).

8. Wis. Stat. § 62.09(3)(e).

9. E.g., Wis. Stat. §§ 66.1007(1)(c), 66.1109(1)(c).

10. E.g., Wis. Stat. § 30.37(3).

11. Wis. Stat. § 61.24

12. Wis. Stat. § 61.24.

13. Wis. Stat. § 61.24.

14. Wis. Stat. § 61.19.

15. Wis. Stat. § 7.30.

16. Wis. Stat. §§ 61.35, 62.23(1).

17. Wis. Stat. §§ 61.35, 62.23(7)(e)2.

Alder & Trustee

Common councils and village boards are legislative bodies. Alders and trustees are leaders, responsible for setting policy and charting the future of the municipality. Although the statutes provide some detail as to the duties and powers of city mayors and village presidents, the statutes provide *no* detail regarding the duties and authority of alders and trustees. This lack of detail reflects the fact that alders and trustees do not have authority in their individual capacity. Instead, the statutes address the responsibilities and powers of village boards and common councils as a whole. This is because the governing body's authority is collective; it holds power as a unit rather than through its individual members. This does not mean individual governing body members are prohibited from doing anything related to their roles outside of the common

council or village board meeting setting. They may still carry out certain functions of their role as an alder or trustee. For example, governing body members can and should function as a liaison between the municipality and the members' constituents. Alders and trustees may engage with their constituents – e.g., hold listening sessions, write newsletters, survey constituents. However, certain actions remain outside the scope of the role as alder or trustee. For example, individual governing body members do not have supervisory authority over municipal employees and, as such, should refrain from directing municipal staff. While it's not necessarily inappropriate to request information from staff, governing body members should not demand that certain information be provided or actions taken unless local law authorizes governing body members to

do so – such actions stray into executive authority territory.

Because there are no statutory provisions offering direction for individual governing body members, municipalities may want to consider establishing guidelines and/or developing materials to help governing body members more fully understand their roles and responsibilities. This could include a code of conduct and a training/resource manual for new (and returning) governing body members.

Legislative, Executive, and Administrative Power

In order for governing body members to stay within their respective roles and avoid overstepping their authority, it's helpful to understand the difference between legislative, executive, and administrative powers. Here are some

► p.20

“I am so proud to know that you all work diligently to make your program the best. Please keep up the good work and thank you all so much.”

– Pamela

Marked Tree, Arkansas



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relatively clear examples of the different types of authority:

Legislative

Enactment of legislation (e.g., adopting budget, ordinance regulating keeping of animals, determining what services the municipality will provide, enacting land use regulations).

Executive

Directing staff, developing details relating to delivery of services the governing body has determined to provide, decisions relating to matters where legislation is silent as to details.

Administrative

Signing checks, carrying out specific directions.

Although the above examples are fairly clear, the line between legislative and executive authority is not always clear. In distinguishing between legislative and executive actions, a prominent municipal treatise provides as follows:

Municipal corporations ordinarily are vested with legislative and executive powers, the latter being sometimes referred to as administrative or ministerial powers or duties. Legislative power, as distinguished from executive power, is the authority to make laws, but not to enforce them, or appoint the agents charged with the duty of such enforcement. If it can be shown that the particular act could not have been done without a law or ordinance, such act is considered as legislative. The crucial test for determining what is legislative and what is administrative has been said to be whether the ordinance is one making a new law, or one executing a law already in existence.

2A McQuillin Mun. Corp. sec. 10:6 (3d ed.) (footnotes omitted).

In *Governing Bodies* 392, the League was asked to weigh in on the difference

between legislative and executive authority in a situation where the council and mayor gave staff conflicting instructions. The fire department had already used the amount appropriated as a line item in the city budget for fire department overtime. The mayor instructed the fire chief to eliminate overtime unless urgent or necessary. In response, the council instructed the fire chief to *not* take action to reduce overtime and to maintain current staffing levels. We opined that the common council is a legislative, policy-making body and may not, by simple directive or order, countermand lawful orders of the mayor as chief executive that relate to the day-to-day operations of the city. The mayor was executing the budget as enacted by the council. However, the council could exercise its legislative authority and establish a new general policy (e.g., amend the budget to appropriate additional funds for overtime). The mayor would then be required to exercise his or her executive authority within the bounds of the newly established policy.

Executive authority can also include filling in details when existing legislation is silent on how the policy is accomplished.

[T]he complexities of modern life often impel legislatures to confer on executive and administrative departments the authority to make rules and regulations in order to enforce and achieve the policy intended. Thus, the making of such rules and regulations by executive and administrative departments sometimes become not a matter of mere law enforcement but of secondary law creation. However, so long as the determination of the legislative principle remains within the control of the legislative body, the determination of the secondary structure that ensures and assists the establishment of the principle is not legislation. The idea

is that the creative element delegated is exclusively limited to arrangements and procedures consistent with the substantive principle. Further, when administrative agencies are delegated regulatory power, legislative action by the agency to establish general rules and guidelines may be necessary as a condition precedent to exercise the powers in individual cases.

2A McQuillin Mun. Corp. sec. 10:6 (3d ed.) (footnotes omitted).

The following scenario may be helpful in demonstrating the differences between the various types of power and how these powers are exercised by elected governing body members in cities and villages:

1. Following a snow storm, Alderperson Smith receives several calls from angry constituents on Elm Street who are upset to see public works employees removing snow from the nearby city park when their residential street has not yet been plowed. These constituents are upset because they are waiting to leave for work and frustrated that clearing snow from the park has apparent priority over plowing Elm Street. Question: What are appropriate ways for Alderperson Smith to respond?
 - a. Alderperson Smith calls the city's Director of Public Works (DPW) and tells the Director that plowing residential streets is more important than removing snow from city park areas, and Elm Street needs to be plowed immediately.
 - b. Alderperson Smith calls the Mayor, explains the situation, and asks the Mayor to have the DPW get Elm Street plowed right away.
 - c. Alderperson Smith pursues legislative policy setting priority for snow removal in the City.

Answer: B and C are appropriate ways for the alderperson to respond. As a legislator, it is appropriate for Smith to communicate constituent concerns to the mayor and ask the mayor, as chief executive officer, to direct city staff. It is also appropriate for the alderperson to pursue legislation that sets priority for snow removal. It is not appropriate for the alderperson to direct city staff.

2. What if the above scenario occurs in a village and, instead of Alderperson Smith, we have Trustee Smith and, instead of Mayor, we have the Village President?

Trustee Smith can communicate constituent concerns to public works staff but, like Alderperson Smith, lacks authority to direct staff individually. The trustee can appropriately pursue

legislative policy setting priority for snow removal. The main difference in a village is that unlike the mayor, a village president is not a chief executive officer and shares executive authority with the village board. So technically speaking, the village president also lacks authority to unilaterally direct employees. As a practical matter, however, in many villages the village president has more regular contact with the staff than other trustees and does serve as a bridge between staff and the village board. In that case, it may be appropriate for the trustee to have the village president communicate the constituents' concerns to public works staff.


Hopefully a better understanding of respective roles and authority will help all governing body members be more effective leaders.

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