



Village Hall, 262-567-2757
Fax, 262-567-4115
Highway Dept., 262-567-2422
Police Dept., 262-567-1134
Building Inspector, 262-490-4141
www.summitvillage.org

Summit Village Hall • 37100 Delafield Road • Summit, WI 53066

AGENDA
Silver Lake Utility District Commission Meeting
January 11, 2024 6:00 pm

At Summit Village Hall, 37100 Delafield Road, Summit, WI

1. CALL TO ORDER
2. ROLL CALL AND CONFIRM POSTING
3. PUBLIC COMMENT
4. MINUTES: September 25, 2023 Budget and November 2, 2023 Special
5. Discussion and action on 2023 payables and financial report
6. Discussion and action on Banking Services proposal from Bank 59
7. ADJOURN Utility Commission Meeting

Respectfully Submitted,

Debra J. Michael, WCMC
Village Administrator-Clerk/Treasurer

Next Regular Meeting: TBD

Posted: January 5, 2024

*****Please note that, upon reasonable notice, efforts will be made to accommodate the needs of disabled individuals through appropriate aids and services. For additional information or to request this service contact the Village Hall at 567-2757.

It is possible that members of and possible a quorum of members of other governmental bodies of the municipality may be in attendance at the above-state meeting to gather information; no action will be taken by any other governmental body except by the Utility Commission noticed above.

FINANCE REPORT
Account Balances
Prepared for January 11, 2024

SUMMIT UTILITY DISTRICT #2
Account Balances as 12/31/2023

Town Bank Checking -	\$ 1,994,318.12
December AP	\$ (24,965.80)
Interest paid	\$ 84.14
Total Available Funds after Payables	\$ 1,969,352.32
Interest Rate = Going Market Rate	
Interest YTD:	\$ 4,035.42

LOAN INFORMATION:

GO Fund - Payoff: 5/2027

Payments: 04/30/23 (Principal & Interest)	\$ 763,867.50
November (Interest only)	\$ 31,617.50
2023 Principal & Interest payment	\$ 795,485.00
12/31/2023 YE Principal Balance	\$3,045,000.00

SILVER LAKE UTILITY DISTRICT
Account Balances as 12/31/2023

Town Bank Checking -	\$ 195,018.16
December AP	\$ (8,952.94)
Interest Paid:	\$ 7.55
Total Available Funds after Payables	\$ 186,065.22
Interest Rate = .04%	
Interest YTD:	\$ 84.33

LOAN INFORMATION:

Village of Summit - Paid off 12/2017

Respectfully Submitted, Sarah LaValliere Deputy
Clerk/Deputy Treasurer

2023
Silver Lake Utility
AP Summary

	Total AP 2023	Note
January	\$9,000.64	
February	\$43,289.39	Oconomowoc License fee is due February
March	\$7,012.57	
April	\$9,349.63	
May	\$8,077.12	
June	\$8,335.61	
July	\$9,152.00	
August	\$14,960.49	Audit Fees Paid in August
September	\$10,125.24	
October	\$9,326.69	
November	\$10,063.82	
December	\$8,952.94	

SILVER LAKE UTILITY

Payments

01/05/24 1:11 PM

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Current Period: December 2023

Payments Batch SLUDDC2023AP		\$8,952.94
Refer	75 VILLAGE OF SUMMIT	Ck# 000246E 1/12/2024
Cash Payment	E 800-51000-200 CONTRACTUAL SERVI	December Admin
Invoice	12012023	12/11/2023
Transaction Date	1/5/2024	TOWI
		Total
		\$2,012.50
Refer	76 WE ENERGIES	Ck# 000247E 12/14/2023
Cash Payment	E 800-51000-240 UTILITIES	Atkins Knoll
Invoice	112223	12/14/2023
Transaction Date	1/5/2024	
		Total
		\$18.67
Refer	77 WE ENERGIES	Ck# 000248E 12/14/2023
Cash Payment	E 800-51000-240 UTILITIES	Forest Dr
Invoice	112223F	12/14/2023
Transaction Date	1/5/2024	
		Total
		\$18.34
Refer	4 CITY OF OCONOMOWOC	Ck# 000249E 1/12/2024
Cash Payment	E 800-51000-520 CITY SEWAGE SERVI	December 2023
Invoice	02297	12/13/2023
Transaction Date	1/5/2024	
		Total
		\$6,903.43

Fund Summary

800 SILVER LAKE UTILITY	\$8,952.94
	\$8,952.94

Pre-Written Checks	\$8,952.94
Checks to be Generated by the Computer	\$0.00
Total	\$8,952.94



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MEMORANDUM

To: SLUD Commissioners

From: Debbie Michael, Village Administrator-Clerk/Treasurer

Date: December 6, 2023

Re: Banking Services Proposal

BACKGROUND: Bank 59 is the current financial institution for the Summit Cemetery. When we were reaching out regarding CD rates and options for the Cemetery, they asked if they could provide us with a proposal for the Utility Districts and the Village.

A team from Bank 59 came to the Cemetery Board meeting in October, 2023 and reviewed ways to improve our investments and activities for the Cemetery.

Since Trustee Arenz was at the Cemetery Meeting we let Bank 59 review their proposal for the utility districts and Village that day as well.

Trustee Arenz and Administrator Michael see the benefits of moving all the Village's financial activities into one institution versus 3 different ones as has been the practice for at least the past 17 years.

Bank 59 is a full service financial institution that can help the Village with borrowing, investing and the timely transfer of funds using the remote deposit function.

ATTACHMENTS: Pages from Proposal dated October, 2023, Investment Policy

FISCAL IMPACT: Services provide with no additional fees and increased earnings on the Village's funds through fiscally responsible options

RECOMMENDATION: **MOTION: to direct staff to work with Bank 59 to transfer the current funds from Town Bank during the 1st quarter of 2024.**

Disaster Recovery

Business Continuity and contingency plans (as required and reviewed by the FDIC) are critical and essential to Bank Five Nine's ability to mitigate risks from both internal and external sources to:

- Avoid or minimize injuries.
- Avoid or minimize loss of life.
- Avoid or minimize damage to property.
- Resume business operations and activities in the event of an emergency or disaster.

Bank Five Nine's Business Continuity Operating Procedures identify the types of emergencies which may occur and the procedures to be followed based on the severity of each event. The level of mobilization of the contingency plans will be based on the severity of the situation and determined by the areas of the Bank which need control. This method allows all remaining segments to continue normal operations and functionality.

Each type of emergency defined within the Business Continuity Plan is tested periodically to ensure that outlined contingency plans are feasible and address all facets of a given emergency or disaster. With the same respect, the Bank's Business Continuity policy, addendums and other contingency plans are continually updated to current standards to reflect accurate and complete information regarding personnel, emergency services, evacuation plans, mobilization capabilities, and Bank data or equipment, etc.


Required Services

Summit Cemetery Association

Bank Five Nine has the following accounts established for the Village of Summit DBA Summit Cemetery Association:

- **Business Checking with Interest** – Your Business Checking with Interest Account is an interest-bearing account that pays interest on daily balances with the current annual interest rate of 0.02%. The account service charges are waived. We would change the Business Checking with Interest Account to a Distinctive Money Market Business Account with a rate of 4.00% APY guaranteed for six months. We will review the interest rate at six months to provide our best business money market rate. The account service charges will continue to be waived.
- **48 Month Fixed Rate CD** – Your Certificate of Deposit (CD) automatically renewed your 37-month CD special on August 15, 2023, at maturity, as a 48-month CD earning an interest rate of 3.94%. The CD matures August 15, 2027. Per our discussions with the Village of Summit, we will waive the early forfeiture penalty and open one of our current CD specials so your CD can earn a higher interest rate at the term you desire. Please see the attached current deposit rates.
- **23 Month CD Special** – Your Certificate of Deposit (CD) was established as a 23-month CD special earning an interest rate of 5.15%. The CD matures June 20, 2025.
- **15 Month CD Special** – Your Certificate of Deposit (CD) was established as a 15-month CD special earning an interest rate of 5.06%. The CD matures October 19, 2024.

Silver Lake Utility District

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- **Silver Lake Utility District Checking Account** – At Town Bank you are currently in a Government Analysis Checking Account with a variable interest rate. We would open a Basic Business Checking Account tied to an IntraFi Deposit Sweep Account earning LGIP plus 5bps. The current LGIP is 5.31%. The target balance in the checking account would be set at zero to maximize interest. The

Village of Summit, WI Investment Policy

SCOPE

This policy applies to those funds that are under the authority of the Village of Summit, Wisconsin (Village). Financial assets of funds not under the authority of the Village are administered in accordance with a separate policy. Financial assets of all other funds may be administered in accordance with this Policy, but this is not required.

I. GENERAL OBJECTIVES

1. Safety

Investments shall be undertaken in a manner that seeks to ensure the preservation of capital in individual investments and the overall portfolio. The objective will be to mitigate credit risk, interest rate risk and custodial risk.

a. Credit Risk

The Village will minimize credit risk, which is the risk of loss due to the failure of the security issuer or backer, by:

- Limiting investments to the types of securities permitted under Wisconsin Statutes Chapter 66.0603.
- The Village Board shall by resolution approve the public depositories that are deemed appropriate for use under Wisconsin and Federal law.
- Diversifying the investment portfolio so that the impact of potential losses from any one type of security or from any one individual issuer will be minimized.

b. Interest Rate Risk

The Village will minimize interest rate risk, which is the risk that the market value of securities in the portfolio will fall due to changes in market interest rates, by:

- Structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity.

c. Custodial Risk

The Village will minimize custodial risk, which is the risk that in the event of a financial institution failure, the Village's deposits may not be returned to it, by:

- Maintaining a list of public depositories, financial institutions and broker/dealers authorized to provide deposit and investment services.
- Requiring all public depositories, financial institutions and broker/dealers authorized to provide deposit and investment services to supply (as appropriate) audited financial statements demonstrating compliance with state and federal capital adequacy guidelines.

2. Liquidity

The investment portfolio shall remain sufficiently liquid to meet all operating requirements that may be reasonably anticipated. Investment portfolios will be structured so that securities mature concurrent with cash needs to meet anticipated demands. Alternatively, a portion of any portfolio may be placed in money market mutual funds or local government investment pools authorized and permissible under Wisconsin statutes which offer same-day liquidity for short term funds.

3. Yield

Investment portfolios shall be designed with the objective of attempting to attain a market rate of return throughout budgetary and economic cycles, taking into account investment risk constraints and liquidity needs. Return on investment is of secondary importance compared to the safety and liquidity objectives described above. Securities shall generally be held until maturity with the following exceptions;

- A security with declining credit quality may be sold prior to maturity to minimize loss of principal.
- Liquidity needs of the Village require sale of a security or securities prior to maturity.
- A security swap would improve the safety and yield of the overall portfolio.

With the exception of cash accounts, all investments will be selected on the basis of competitive quotations; at least two qualified institutions will be contacted each time an investment is placed.

II. STANDARDS OF CARE

1. Prudence

The standard of prudence to be used by investment officials shall be the “prudent person” standard, which states “investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived” and shall be applied in the context of managing an overall portfolio.

Investment officers acting in accordance with written procedures and this Investment Policy and exercising due diligence shall be relieved of personal responsibility for an individual security’s credit risk or market price changes, provided deviations from expectations are reported in a timely manner and the liquidity and the sale of securities are carried out in accordance with the terms of this policy. Notwithstanding any other provision of law, the Treasurer (or other Village employee in the absence of the Treasurer) who deposits public money in

any authorized public depository, in compliance with Wisconsin Statutes sec. 34.05 is, under the provisions of Wisconsin Statutes sec. 34.06, relieved of any liability for any loss of public monies which results from the failure of any public depository to repay the public depositor the full amount of its deposits, thus causing a loss as defined in Wisconsin Statutes sec. 34.01(2).

2. Ethics and Conflicts of Interest

Village officers and employees involved in the investment process shall refrain from personal business activity that could conflict with the proper execution and management of the investment program, or that could impair their ability to make impartial decisions. Officers and employees shall not undertake personal investment transactions with the same individual with whom business is conducted on behalf of the Village.

3. Delegation of Authority

Management and administrative responsibility for the investment program of the Village is entrusted to the Treasurer under the directions of the Village Board. Individuals authorized to engage in investment transactions on behalf of the Village are the Treasurer, the Village Administrator or those individuals designated by the Village Board.

4. Authorized and Suitable Investments

Authorized investments include any investment stipulated in Wisconsin Statute 66.0603 (1m).

III. INTERNAL CONTROLS

The Treasurer shall establish a system of internal controls designed to prevent losses of Village funds arising from fraud, misrepresentation by third parties, unanticipated changes in financial markets, employee error or imprudent actions by employees.

Internal controls shall address:

- Separation of transaction authority from accounting and record keeping.
- Clear delegation of authority to subordinate staff members.
- Written confirmation of transactions for investments and wire transfers.
- Dual authorizations of wire transfers.
- Completion of a wire transfer agreement with the lead bank and third-party custodian.
- Written confirmation of investment and interest earnings in the Village's accounting records based on generally accepted government accounting procedures.
- Preparation of a monthly summary of all investment transactions by the Treasurer for review by the Village Board.

IV. INVESTMENT PARAMETERS

Diversification: Investments shall be diversified by:

- Limiting investments to avoid over concentration in securities from a specific issuer, industry or business sector, excluding U.S. Treasury obligations.
- Investing in securities with varying maturities.
- Continuously investing a portion of the investment portfolio in readily available funds such as local government investment pools, money market accounts or money market mutual funds permissible under State Statute.

V. REPORTING

The Treasurer shall present a monthly report on the investment program and investment activity to the Village Board. The report shall include a management summary displaying the status of the investment portfolio and transactions made over the previous month. The management summary shall be prepared in a manner that will allow the Village Board to determine if investment activities during the reporting period conform to this Investment Policy.

VI. POOLING OF CASH

Except where otherwise provided by the Village Board, the Treasurer is authorized to pool the cash of various funds to maximize investment earnings where it is advantageous and prudent to do so. Investment income will be allocated to the various funds based on the pro rata portion of each fund.

VII. ADOPTION AND APPROVAL

The Investment Policy shall be formally approved and adopted by Village Board Resolution and reviewed as needed, at least every three years beginning in 2017.

VIII. LIST OF ATTACHMENTS

The following documents, as applicable, are attached to this policy;

1. List of authorized personnel
2. Relevant Wisconsin statutes and local ordinances
3. List of authorized public depositories, financial institutions and broker/dealers
4. Internal Controls

Approved and adopted this _____ day of _____, _____.

Attachment #1

Personnel Authorized to Engage in Investment
Transactions

Village Treasurer	Renee Pearson
Village Administrator	Henry J. Elling
Village Clerk	Debra J. Michael
Village President	Jack Riley

Attachment #2

Relevant Wisconsin statutes and local ordinances

Wisconsin Statutes Chapter 66.0603.
Wisconsin Statutes sec. 34.05
Wisconsin Statutes sec. 34.06
Wisconsin Statutes sec. 34.01(2).
Wisconsin Statute 66.0603 (1m).
Wisconsin statutes 34.01 (5) and 34.09

Attachment #3

List of authorized public depositories, financial institutions
and broker/dealers

In accordance with Wisconsin statues 34.01 (5) and 34.09 all Wisconsin banks, state or federal chartered, as well as the Wisconsin local government pooled- investment fund, are authorized depositories