

Appendix B

RIDGEWAY, WI FINANCIAL MANAGEMENT PLAN (FMP)

Scope Of Service

Client has requested that Ehlers & Associates to prepare a Financial Management Plan in 2027 (“Project”). Ehlers & Associates proposes and agrees to provide the following scope of services:

Confirm Planning Objectives

- Prior to commencing the work, we will review our approach with Client staff to ensure that we have a full understanding of the Client’s objectives, any areas of concern or focus, and desired process outcomes. If necessary, we can modify our Scope of Services to meet specific Client needs.

Gather Required Information

- To complete our work, we will need to gather certain information which may include prior year audits and budgets (generally five years); current year budget; capital improvement plans; existing debt service schedules and allocations; strategic planning documents; staffing plans; and policies pertaining to fund balance, debt management; post-issuance compliance and financial management (Ehlers & Associates may already have some or all this information on file).

Prepare Financial Model

- Based on the Client’s objectives and the information available, we will prepare a Client-specific Excel based financial planning model that includes:
 - ✓ **Credit Profile Evaluation.** An assessment of selected financial, debt and demographic indicators will be prepared comparing Client to the Statewide median indicators for its rating peer group, and to other governmental entities of comparable size or location. If applicable, the assessment will also include a comparison with the medians of the next higher rating classification and to representative governmental entities in that class. Analysis will be provided to identify areas of strength and potential weakness in the Client’s credit profile.
 - ✓ **Valuation Forecast.** We will project growth in equalized value based on historical valuation trends, and anticipated potential for and timing of new development based on Client input. If applicable, “TID IN” and “TID OUT” forecasts will be provided. The impact of TID closure will be considered

based on Client direction. One or more potential growth scenarios may be modeled based on Client's objectives.

- ✓ **Fund Forecasts.** We will forecast revenues and expenditures for the following funds based on prior year budgetary trends. Based on the Client's objectives and the information available to us, one or more alternate fund forecasts may be developed to reflect adjustments to service levels and staffing.
 - General Fund
 - Debt Service Fund
 - Capital Improvement Fund
 - TID #1
- ✓ **Capital Planning Model.** Using Client's capital improvement plans, we will prepare one or more models identifying funding sources for identified projects. Fund balances, tax levy, debt proceeds, and annual revenues will be evaluated as funding sources.
- ✓ **Debt Model.** We will prepare a current debt service schedule including projected debt abatement sources and tax levy requirements. To the extent that debt financing is required for capital improvement projects, the projected impact of that financing will be modeled. The model will also forecast debt limit capacity utilization and the projected impact of future debt obligations on selected debt profile indicators (for General Obligation debt).
- ✓ **Consolidated Tax Levy and Rate Projection Model.** A summary forecast will be provided projecting the future tax levy that would be required to support the General Fund, Capital Projects Fund, Debt Service Fund, and other levy supported funds. Based on the valuation projection model, a forecasted equalized tax rate will be provided. Future levy requirements will be tested against applicable levy and rate limits. A similar summary forecast will be provided for any enterprise funds included in the model and will include a projection of any additional revenue requirements needed to support the forecast.

Conduct Governing Body Workshops

- A total of 2 workshops will be conducted concurrent with development of the financial model. The purpose of the workshops will be to present key data, observations, findings, alternatives, and recommendations, and to seek input of Governing Body members and key staff at periodic intervals before the model is finalized. Specific workshop dates, and the points at which they occur in the process, will be established in consultation with the Client based on the objectives of Client, the availability of the Governing Body and key staff, and the availability of information needed to complete the plan.

Workshop duration is typically two hours, with three-to-four-week intervals between workshops. Workshops are generally more effective when held independent of other Governing Body meetings.

Final Report

- Following completion of the model and workshops, we will prepare a summary report that includes and explains all primary elements of the forecast model. The report will include a summary of key observations and recommendations. If applicable, we will recommend modifications to existing Client policies pertaining to fund balance, debt management, post-issuance compliance and financial management.

Compensation

In return for the services set forth in the “Scope of Service,” Client agrees to compensate Ehlers & Associates in the amount of \$10,000.

For any service directed by Client and not covered by this, or another applicable Appendix, Ehlers & Associates will bill Client at an hourly rate that is dependent upon the task/staff required to meet Client request at no less than \$175.00/hour and not to exceed \$400.00/hour.

Payment For Services

For all compensation due to Ehlers & Associates, we will invoice Client for the amount due at the completion of the work. Our fees include our normal travel, printing, computer services, and mail/delivery charges. The invoice is due and payable upon receipt by the Client.