



City-County Building, Room 406  
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City Hall  
5520 Lacy Road  
Fitchburg, WI 53711  
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**David P. Schmiedicke, Director**

**Misty F. Dodge, Director**

June 5, 2023

Satya Rhodes-Conway  
Mayor  
City of Madison

Julia Arata-Fratta  
Mayor  
City of Fitchburg

Dear Mayor Rhodes-Conway and Mayor Arata-Fratta:

As you are aware, after extensive planning and intergovernmental cooperation, the Town of Madison was successfully dissolved on October 31, 2022, and the attendant geographic area and population distributed between the Cities of Madison and Fitchburg, pursuant to a Cooperative Plan adopted in October 2003. Section 15 of the Cooperative Plan described a process for dividing the Town's assets and liabilities between the two Cities, including the disposition of the Town Hall property, upon final attachment of the Town to the Cities. The asset and liability distribution was further determined by the Town of Madison Assets and Liabilities Apportionment Agreement entered into by the Cities and approved by resolutions adopted in 2022 by both City councils (Madison RES-22-00661; Fitchburg R-180-22), which agreement established a 75% Madison and 25% Fitchburg allocation for apportioning net assets and liabilities not otherwise divided based on location, subject to agreement by the Finance Directors of the respective Cities. The agreement also provided for a direct \$607,500 cash payment by the City of Madison to the City of Fitchburg prior to final attachment for Fitchburg's 25% share of the agreed upon appraised value of the Town Hall property.

This memo and attached tables summarize the final allocation of the net assets and liabilities of the Town between the two Cities, which has been agreed to by the two finance directors consistent with the Cooperative Plan, the Apportionment Agreement, and the 2022 allocation resolutions. This allocation reflects the completion of final financial statements for the Town by Baker Tilly.

Final cash balances of the Town totaled \$1,671,017. To that amount was added \$220,295 in proceeds from the sale of moveable equipment subsequent to the Town's dissolution, for a total of \$1,891,312. From that amount, a total of \$1,004,371, was deducted to reflect the Town's outstanding debt (fully assumed by the City of Madison based on the location of the associated assets), staff and contract costs for the final audit of the Town's finances, the cost of police services provided by both Cities in the week leading up to final attachment, the remaining contract cost of the Town's municipal judge, various staff, supplies and services costs related to final close out of the Town's activities (e.g., sale of equipment,

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computer support costs for financial services staff, etc.), and allocation between the two Cities of Town moveable equipment that was not sold, auctioned or scrapped. It should be noted that, under a separate Intergovernmental Agreement Regarding Town Employee Severance Payments entered into by the Cities and the Town in September 2022, all severance payments to former Town employees required under the Cooperative Plan were paid by the Town from its cash balances.

With those adjustments, the remaining cash to be allocated between the two cities totaled \$886,941, with 75%, or \$665,206, to Madison and \$221,735, to Fitchburg. These amounts will be updated to reflect final estimates of interest to the date the allocations actually occur.

The attached tables provide detail on the allocations.

Once the remaining cash is distributed, the final attachment and dissolution of the Town of Madison will be complete.

Please feel free to contact us with questions.

Sincerely,



David Schmiedicke  
City of Madison Finance Director



Misty Dodge  
City of Fitchburg Finance Director

CC: City of Madison Common Council  
City of Fitchburg Common Council  
Chad Brecklin  
Mary Bottari  
Doran Viste  
Valerie Zisman

Attachments

### Town of Madison Final Asset/Liability Reconciliation

Cash-General	\$ 1,225,447
Interest March	2,683
Interest Estimated April	5,309
Interest Estimated May	5,309
Restricted ATC	243,936
Restricted DSF	2
Committed Parks-TIF Alexander Plot & Misc. Donors	26,819
Committed Transit-Addt'l Levy	35,757
Committed MMSD-Addt'l Levy	125,755
<b>Total Cash</b>	<b>\$ 1,671,017</b>

**Total Revenues/Proceeds Auction, Sales, Scrap, & Other \$ 220,295**

**Total Cash & Revenues \$ 1,891,312**

Debt-City of Madison's Statement of Net Position To Be Reimbursed	832,069
TOTAL RENEE SCHWASS SALARY AND FICA	52,567
WORKFORCE DEVELOPMENT UI CHARGE	1,531
CITY OF MADISON POLICE SERVICES	10,767
CITY OF FITCHBURG POLICE SERVICES	3,379
OTHER PERSONNEL COSTS	6,252
MUNICIPAL JUDGE	6,000
BAKER TILLY AUDIT COSTS	28,488
Other City of Madison Supplies & Purchased Services To Be Reimbursed	37,224
City of Madison Capital Asset Reimbursement (see below)	26,094
<b>Total Debt &amp; Expenditures</b>	<b>1,004,371</b>

<b>Remaining Cash</b>	<b>\$ 886,941</b>	
<b>COM</b>	<b>\$ 665,206</b>	<b>75%</b>
<b>COF</b>	<b>\$ 221,735</b>	<b>25%</b>

City of Madison Capital Asset Purchases To Be Paid	\$ 70,303	55%
City of Fitchburg Capital Asset Purchases To Be Paid	58,226	45%
<b>Total Capital Assets</b>	<b>\$ 128,529</b>	
COM Share	\$ 96,397	75%
COF Share	\$ 32,132	25%
Amount to be Reimbursed to COM	\$ 26,094	

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	<b>Madison</b>	<b>Fitchburg</b>	<b>Total</b>
Town Hall	\$ 1,822,500	\$ 607,500	\$ 2,430,000
Capital Asset Disposition	<u>\$ 70,303</u>	<u>\$ 58,226</u>	<u>\$ 128,529</u>
	\$ 1,892,803	\$ 665,726	\$ 2,558,529
Net Cash and Revenues	\$ 665,206	\$ 221,735	\$ 886,941
Debt-City of Madison's Statement of Net Position To Be Reimbursed	\$ 832,069	\$ -	\$ 832,069
City of Madison Salaries & Benefits To Be Reimbursed	\$ 7,783	\$ -	\$ 7,783
Police Services to Reimbursed	\$ 10,767	\$ 3,379	\$ 14,146
Renee Schwass Salary and FICA	\$ 52,567	\$ -	\$ 52,567
City of Madison Supplies & Purchased Services To Be Reimbursed	\$ 71,712	\$ -	\$ 71,712
City of Madison Capital Asset Reimbursement (75%/25%)	<u>\$ 26,094</u>	<u>\$ -</u>	<u>\$ 26,094</u>
	\$ 1,666,198	\$ 225,114	\$ 1,891,312
<b>Disposition of Total Cash and Revenues</b>	\$ 1,666,198	\$ 225,114	\$ 1,891,312
<b>Disposition of Town Hall and Capital Assets</b>	<u>\$ 1,892,803</u>	<u>\$ 665,726</u>	<u>\$ 2,558,529</u>
<b>Disposition of Net Assets</b>	<b>\$ 3,559,001</b>	<b>\$ 890,840</b>	<b>\$ 7,008,370</b>
<b>Disposition of Total Cash with Town Hall Cash Paid</b>	<b>\$ 1,666,198</b>	<b>\$ 890,840</b>	<b>\$ 2,557,038</b>