

Minutes of the Finance Committee
Village of Shorewood Hills
Wednesday, May 9, 2007
(approved on Wednesday, June 20, 2007)

- 1) **Call to Order:** at 5:41 pm. Committee members present: Chair Dave Benforado, Village President Mark Sundquist, Fred Wade, Karl Wellensiek. Village Administrator Karl Frantz was also present. Gard Strother, Jerry Weygandt and Dave Ahmann were excused.
 - a) **Note Compliance with Open Meeting Law:** so noted.
 - b) **Approve Minutes of Previous Meetings:**
 - i) **October 25, 2006:** Wade moved, Wellensiek seconded, passed.
 - ii) **March 15, 2007:** Wellensiek moved, Sundquist seconded, passed (with minor spelling corrections).

- 2) **Review/Discuss Committee Mission.**
 - a) **Reviewed Village Ordinance describing the Finance Committee's mission:**
 - i) "The village finance committee shall: review the proposed annual budget and recommend the level of the annual tax levy to the village board; develop and recommend to the village board financial policies including: management of village funds, investments, accumulation of reserves, financing of debt, and other related matters", Ord. (2.02(10)(b)(1).
 - ii) Agreed that the above language properly specified the areas of the Committee's mission.
 - b) **Village Financial Policies:** Committee asked Frantz to provide four draft financial policies for review at the Committee's next meeting, based on some prior drafts circulated at the February 14, 2006 2007, Finance Committee meeting covering:
 - i) Village debt policy;
 - ii) Village undesignated fund balance policy;
 - iii) Village investment policy; and
 - iv) Description of the Village budget document.

- 3) **Financial Update:**
 - a) **Village Closure of TIF District 2:** Frantz reported that the Village's Tax Incremental District (TIF) #2 has now been closed, and that a letter stating that had been sent to the WI Dept of Revenue in early May. Auditors will now have to perform the final TIF#2 audit within 6 months.
 - b) **Village Issuance of a NAN (Note Anticipation Note):** Committee reviewed Robert W. Baird's & Co.'s 22 page draft preliminary statement of the NAN, which is a prospectus type document. Committee members asked Frantz a few questions about certain portions (e.g., what were the state statute references for the "Budget Process" text on p. 15), which he said he would ask Baird about, and Frantz mentioned a few corrections that needed to be made before it was issued (e.g., updating the list of the Village Board of Trustees, pp. 2 and 7). The Village

Board of Trustees will need to approve the preliminary NAN statement at its May meeting.

- 4) **Village Audit of Blackhawk Country Club Revenues:** Frantz provided the Committee with a copy of a one-page memo he had received from Renee Meinholz, Virchow Krause CPA, dated May 8, 2007, regarding VK's preliminary findings as to its audit of Blackhawk Country Club revenues. Committee agreed that VK should hold off on issuance of a final audit report, and that Benforado and Wade will ask for a meeting with Club Treasurer Jim Possin to discuss VK's preliminary findings. The letter raised three preliminary findings:
 - a) that the Club's gross revenues do not include sales tax. It was noted that when the Village and the Club agreed to a settlement of outstanding financial issues in December 2006, point six of the agreement specified that sales tax would not be included in gross revenues, and the Committee agreed that this finding while relevant was mute;
 - b) that the Club's gross revenues included only 2/3's or 66% of the service charge on bar sales; and
 - c) that the Club's gross revenues did not include non-cash new member incentive programs.

- 5) **Future 2007 Meetings** – the Committee agreed to the following list of 2007 meetings:
 - a) **Wednesday, June 20, 2007** – review VK's FY '06 Village audit and 6-month FY '07 Village budget totals, continued review of VK's FY '06 Blackhawk audit;
 - b) **Wednesday, September 12, 2007** – review 8-month FY '07 Village budget totals, initial discussion of Village FY '08 budget;
 - c) **Wednesday, September 26, 2007** – continue Village FY '08 budget discussions;
 - d) **Wednesday, October 10, 2007** – finalize FY '08 budget recommendation to Board; and
 - e) **Wednesday, October 24, 2007** (tentative) – extra meeting for FY '08 budget if needed.

- 6) **Adjourn:** at 6:55 pm.

Respectfully submitted on May 13, 2007 by Dave Benforado, Chair.