

**Minutes of the Finance Committee**  
**Village of Shorewood Hills**

Wednesday, February 13, 2013

(scheduled for review at the March 13, 2013, Finance Committee meeting)

1. **Called to Order at 5:31 pm:**
  - A. **Committee Members Present:** Chair/Village Trustee Dave Benforado, Village President Mark Sundquist, Village Treasurer David Kuenzi, Dave Ahmann, Gard Strother, Fred Wade, Karl Wellensiek.
  - B. **Others Present:** Village Administrator Karl Frantz, Village Clerk Cokie Albrecht, Village Police Chief Denny Pine, Village Fire/EMS Chief Keith Anderson, Village DPW Chief Denny Lybeck, Village Engineer Brian Berquist (Town & Country).
2. **Discussion and possible recommendations on Village five year capital plan, 2013 capital plan budget, and capital and TID borrowings:**
  - A. D. Benforado advised the Committee that Village staff and RW Baird's Brad Viegut had completed the tasks asked by the Committee at its January meeting. Benforado also indicated that, assuming the Committee wants to keep FY 2013 road projects on schedule (i.e., Amherst and Columbia) and have TID funds available for planned Marshall Court work this year and assuming that it wants to proceed with a 2013 borrowing after discussion at this meeting, the Committee should be prepared at its March meeting to review and approve an initial borrowing recommendation to the Village Board. K. Frantz mentioned that he would have a much better idea of the amount of funds available from past borrowings (perhaps in the range of \$300K) after the auditors complete their fieldwork later this month.
  - B. D. Benforado reviewed the three "5 Year Cap Plan" spreadsheets developed by staff. The latter two spreadsheets being similar, both separating out and not planning for certain large capital expenditure items (i.e., renovation of the DPW/Fire building, a new cold storage building, renovation of and new boiler for the Community Center, Village Hall generator, new pier at marina, new all terrain utility vehicle, emerald ash borer tree removal). The latter two spreadsheets also shift some items that are in the \$22K-\$55K range to the general fund (e.g., vehicle purchases), the thought being to plan for these purchases to be staggered, included in the general budget and paid for by the annual levy:
    1. The original spreadsheet totaling \$15.6M dated "12/7/12" that the Committee reviewed at its December and January meetings;
    2. A revised spreadsheet totaling \$10M dated "2/11/13" that assumes that none of the planned remaining road projects in the western portion of the Village would involve underground work (i.e., no water main replacements for those projects based on the premise that those pipes are not as old as those in the eastern portion of the Village and have not been

experiencing breaks), thus reducing road project expenses for those projects by roughly half;

a. A revised spreadsheet totaling \$10.3M dated “2/11/13” that assumes a resequenced and stretched out set of road projects based on input from Village Engineer B. Berquist.

C. D. Benforado reviewed RW Baird’s Brad Viegut’s revised analysis dated “1/17/13” of a potential Village borrowing plan, that plan assuming two Village borrowings on roughly June 1, 2013, totaling \$8M (a 20 year \$3M general obligation bond and a 17 year \$5M taxable general obligation bond). Viegut structured the borrowings such that tax-supported debt service stays within 90% of the Village debt policy (i.e., that policy being that principal and interest payments shall not exceed 25% of operating revenue). The plan assumes two additional borrowings (\$1.145M in 2016 and \$560,000 in 2018) and assumes the amounts borrowed for TIF are self-supporting. All told, the amount from these borrowings that would be available for general 2013-2015 Village projects would be \$1.9M.

D. The consensus of the Committee was that staff and RW Baird’s B. Viegut should finalize the initial documents in support of the planned borrowings for review at its March Committee meeting. The borrowings should allow the Village to abide by its debt policy, i.e., that tax-supported debt service stays within 90% of the Village debt policy (i.e., that principal and interest payments shall not exceed 25% of operating revenue). The Committee believes the Public Works Committee, in consultation with staff and the Village Engineer, should prioritize Village road projects given the amount of borrowing ultimately available for road projects.

3. **Approval of Prior Meeting Minutes:**

A. The Committee reviewed the draft minutes from the January 9, 2013, Finance Committee meeting.

B. **Motion to approve the minutes by F. Wade, second by K. Wellensiek, motion passed (7-0).**

[F. Wade left the meeting at 6:40 pm]

4. **Review and possible recommendations on Village participation in MG&E renewable energy program:**

A. D. Benforado advised the Committee that the Village has participated in MG&E’s “Green Power Tomorrow” program since 2009 at the 20% level (i.e., the Village purchases 20% renewable electricity and pays the corresponding premium). Assuming annual total electric usage of 640,000 kWh and based on a 2013 increase in that renewable premium (from \$0.025/kWh to \$0.04/kWh), the additional unbudgeted FY 2013 expense for the Village is roughly \$2K. Village options include:

1. staying at the 20% level and finding the unbudgeted \$2K elsewhere in the Village budget;

2. reducing the renewable purchase percentage to 15%, which will result in an unbudgeted Village expense of roughly \$650;
3. reducing the renewable purchase percentage to 12.5% would allow the Village to stay roughly within the FY 2013 budgeted amount for electricity; and
4. terminating Village purchase of renewable electricity.

**B. Motion by M. Sundquist, second by K. Wellensiek, to direct the Village Administrator to contact MG&E and reduce the Village purchase of renewable electricity to 15%. Motion passed 5-0-1 (G. Strother abstained).**

5. **Committee Agreed on the following Committee meeting dates:**

A. **Wednesday, March 13, 2013 (5:30 pm).**

6. **Adjourned:** at 6:51 pm.

Respectfully submitted by Dave Benforado on February 15, 2013.