

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

Wednesday, May 15, 2013

(scheduled for review at the next Finance Committee meeting)

1. **Called to Order at 5:31 p.m.:**
  - A. **Committee Members Present:** Chair/Village Trustee Dave Benforado, Village Treasurer David Kuenzi, Dave Ahmann, Gard Strother, Fred Wade. Village President Mark Sundquist and Karl Wellensiek were excused.
  - B. **Others Present:** Village Administrator Karl Frantz, Renee Meinholz (Baker Tilly).
  
2. **Approval of Prior Meeting Minutes:**
  - A. The Committee reviewed the draft minutes from the March 13, 2013, Finance Committee meeting.
  - B. **Motion to approve the minutes by D.Ahmann, second by D.Kuenzi. Motion passed (5-0).**
  
3. **2012 Village Financial Reports and Audit Results:**
  - A. R. Meinholz apprised the Committee that Baker Tilly had completed its review of 2012 Village finances, and that their audit resulted in an “unqualified clean opinion”, which is the highest form of assurance an audit firm can provide. Meinholz reviewed the year end status of the Village “General Fund Balance” -- \$891K, consisting of \$126K “Nonspendable” (consisting of a longterm advance to TIF #4 and some delinquent property taxes), \$80K “Assigned” (most applied to FY13 Village budget and some Recreation program carryover), and \$686K “Unassigned” (net working capital). The Village’s unreserved or unrestricted general fund balance as a percentage of expenditures was 28% at FY12 year end (compared with 27.3% at FY11 year end, 26.4% at FY10 year end, 30.4% at FY09 year end and 14% at FY 08 year end). Village general obligation debt is now at 50% of statutory debt capacity. State statute provides that total general obligation Village debt may not exceed 5% of the equalized value of taxable property in the Village. The statutory debt limit as of 12/31/12 was \$23.9M and the total general obligation at year end was \$11.9M. Meinholz noted that the audit found that while the Village does have an investment policy, it has not adopted a policy on “credit risk” (she will forward a sample credit risk policy to Frantz for review by the Committee). Meinholz also reviewed the Report on Internal Controls with the Committee. F. Wade left the meeting at 6:15 p.m.
  - B. **Motion by D. Ahmann, second by D.Kuenzi, to recommend that the FY12 Village audit statements and reports be forwarded to the Village Board for approval. Motion passed (4-0).**
  
4. **Committee member terms and reappointments:** D. Benforado apprised the Committee that the terms of two Committee members (K.Wellenseik and G.Strother)

- expired in May 2012 (and their reappointments were inadvertently missed last year) and the term of one member (F.Wade) expired in May 2013. All three have expressed an interest in being reappointed to the Committee, and Benforado stated that he will ask the Board to reappoint the three to respective three year terms.
5. **Update on Village Borrowing:** K.Frantz provided the Committee with an update on Village borrowings. Frantz shared with the Committee the good news of the 5/13/13 Standard & Poor's analysis of the Village long term credit rating, the S&P report concluding that the Village long term credit rating is "**AA+/Stable**". The S&P analysis found that "the Village has maintained very strong reserves, in our view, despite its reliance on property tax revenue, which is subject to levy limitations."
  6. **The Committee discussed future meeting dates (the June and July Committee meetings may be cancelled, unless there is a need to meet).**
  7. **Adjourned:** at 6:27 p.m.

Respectfully submitted by Dave Benforado on August 18, 2013.