

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

Wednesday, September 11, 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 President Mark Sundquist, Village Treasurer David Kuenzi, Gard Strother, Fred Wade and Karl Wellensiek. Dave Ahmann was excused.
  - B. **Others Present:** Village Administrator Karl Frantz and Village Clerk Cokie Albrecht.
  
2. **Approval of Prior Meeting Minutes:**
  - A. The Committee reviewed the draft minutes from the May 15, 2013, Finance Committee meeting.
  - B. **Motion to approve the minutes by F.Wade, second by G.Strother. Motion passed (6-0).**
  
3. **Review and possible recommendation on 2014 Village general and other fund budgets.** K. Frantz circulated a memo summarizing the status of the Village FY13 budget, a staff proposed FY14 budget, a TIF worksheet, a Mil Rate worksheet, and a 34 pp. detailed draft FY14 Village budget.
  - A. **Fund Balance:** FY12 ending fund balance was \$686K or 22% of FY13 budget, FY13 ending fund balance is estimated to be \$810K or 23% of proposed FY14 budget. This increase in fund balance occurred even though FY13 budget planned for a \$64K drawdown in fund balance and even though there was an FY13 \$95K unbudgeted expense (the initial payment to the City of Madison for Fire/EMS Oct.-Dec. 2013). The positive swing in fund balance occurred mainly because of more FY13 building permit revenue than we had budgeted (\$142K) due to the Walnut Grove and Stonehouse development projects.
  - B. **FY13 Expenses:** budgeted at \$3,185,810; projected actual of \$3,208,455 (\$23K over budget).
  - C. **FY13 Revenues:** budgeted at \$3,185,810; projected actual of \$3,268,850 (\$83K over budget).
  - D. **Proposed FY14 Budget (expenses):** staff proposed FY14 budget of \$3,569,612 in expenses, a \$395K increase over FY13, driven in large part by the \$395K payment to the City of Madison for Fire/EMS services and a \$176K increase in debt service (after this increase, Village debt service will level out at that amount for many years, assuming no new debt). Other drivers:

1. \$135K for continuing Fire/EMS transition expenses;
  2. \$40K for wage and benefit increases (based on a 2% across the board wage adjustment plus step increase; roughly a 4-4.5% increase in total);
  3. \$31K for retirement costs and comp time payouts;
  4. \$23K contingency account; and
  5. \$13K for Bulletin printing/mailing costs.
- E. **Proposed FY14 Budget (revenues):** maximizing the potential levy pursuant to current State law limits results in projected FY14 revenues of \$3,738,194, which would create a budget surplus of \$169K. This is based on an FY14 Village levy of \$2,518,135 (or \$2,537,008 based on a revised just released WI Dept of Revenue FY14 levy worksheet), which is about an 8% increase in the levy compared with last year.
1. **Proceeds from Sale of Fire/EMS Equipment:** proposed FY14 revenues include a staff estimate that the Village will realize \$450K from the sale of its Fire/EMS equipment (e.g., vehicles, hoses, etc.). There was considerable Committee discussion on how to treat those proceeds.
  2. **Mil Rate:** the proposed FY14 budget and levy would increase the Village property tax portion of a typical Village resident (i.e., on a \$588K home) by between \$235 and \$260.
- F. The Committee asked staff to revise the proposed FY14 budget as follows, for further discussion and refinement at next meeting:
1. Assume that the Village will pay off its State Trust Fund loan (four years remaining on \$132K) in FY14;
  2. Assume that portions of the estimated proceeds from the sale of the Fire/EMS equipment will be assigned to cover the \$135K in FY14 Fire/EMS transition cost, the \$31K FY14 retirement/comp time payouts, and future debt pay offs and/or increased fees to the City of Madison for Fire/EMS services.
  3. Assume that the Village levy increase will be roughly 4%.
4. **Future Meeting Dates:** the Committee discussed and agreed on future meeting dates to continue discussing the recommendation of a proposed FY14 Budget to the Village Board, as well as proposed capital/debt service budgets, TID #3 and TID#4 budgets, and budgets for Village enterprise funds (i.e., water utility, sewer utility, stormwater utility, pool, waterfront, marina):
- A. **Wed., Sept. 25 (5:30 p.m.);**
  - B. **Wed., Oct. 9 (5:30 p.m.);**
  - C. **Wed., Oct. 23 or Oct. 30 (5:30 p.m.), if needed.**
5. **Adjourned:** at 6:47 p.m.

Respectfully submitted by Dave Benforado on September 12, 2013.