

Minutes of the Finance Committee

Village of Shorewood Hills

Wednesday, September 25, 2013

(scheduled for review at the next Finance Committee meeting)

1. **Called to Order at 5:32 p.m.:**
 - A. **Committee Members Present:** Chair/Village Trustee Dave Benforado, Village President Mark Sundquist, Village Treasurer David Kuenzi, Dave Ahmann, Gard Strother, Fred Wade and Karl Wellensiek.
 - B. **Others Present:** Village Administrator Karl Frantz, Village Clerk Cokie Albrecht, Village Police Chief Dennis Pine, Sgt. Corey Denzer, Officer Jamie Weitzel, Officer Jeff Beck, Officer Nick Pine, Admin. Asst./Court Clerk Martha Davis, Police Clerk/CSO AJ Reisinger.

2. **Public Comment:** while not on the agenda, the Committee heard public comment from various members of the Village staff concerning deliberations over a proposed FY14 Village budget. Chief Pine advocated for retaining the “power shift officer” budget proposal (\$23K), as did M.Davis. Davis also advocated for retention of the “step” increase pay plan for Village staff in addition to an annual cost of living pay increase, as did C.Denzer. Denzer advocated for higher pay in general for members of the Village Police Department. The Committee thanked staff for attending, advised staff that the Village Personnel Committee was the appropriate committee to advocate for matters related to personnel matters, and that the Personnel Committee was scheduled to meet next on October 2.

3. **Approval of Prior Meeting Minutes:** the Committee reviewed the draft minutes from the September 11, 2013, Finance Committee meeting. **Motion to approve the minutes by F.Wade, second by K.Wellensiek. Motion passed (7-0).**

4. **Review and possible recommendation on 2014 Village general and other fund budgets.** K. Frantz circulated a two-page memo updating a few key budget numbers and summarizing the changes made to the proposed FY14 budget based on the Committee’s direction from the prior meeting:
 - A. **Village Levy:** proposed levy increase was reduced from 8.4% to 4%;
 - B. **One-Time Revenue Application:** \$450K in one-time anticipated revenue from the sale of Fire Dept equipment was apportioned as the Committee had directed;
 - C. **Fire/EMS Fee to Madison:** revised Village fee payable to the City of Madison in FY14 for Fire/EMS services is \$432K(a \$37K increase from the original estimate);
 - D. **Health Insurance Costs Down:** revised employee health insurance is \$13K less than originally thought;
 - E. **New Revenues:** various new revenues (\$7K);
 - F. **Budget Deficit:** all of the above changes produced an estimated \$194.4K FY14 budget deficit;

- G. **Potential Expense Reductions:** K.Frantz outlined \$105K in expenses that could be reduced, including:
1. eliminating printing/mailing of monthly Bulletin (-\$13K);
 2. reducing staff pay adjustment (STEP plan increase and cost of living adjustment) from 4.5% to 2% (-\$20K);
 3. eliminating “power shift” police officer” addition (-\$23K);
 4. reducing street maintenance (-\$10K);
 5. reducing IT expenses (-\$9K);
 6. eliminating recognition dinner (-\$4K);
 7. reducing general police budget (-\$6K);
 8. reducing forestry budget (-\$7.5K);
 9. reducing Fire/EMS transition cost (-\$2K);
 10. reducing admin expenses (-\$9K).
- H. **Use of Fund Balance:** K.Frantz estimated the unassigned fund balance at FY13 year end to be \$810K, and that use of up to \$100K in fund balance in FY14 would still keep the Village at about 20% of subsequent year expenses (right in the middle of the Village policy which targets an unassigned fund balance between 15 and 25%).
[D.Kuenzi left at 6:40 p.m.].

5. **Committee Direction:**

- A. **The Committee asked staff to continue to refine the draft FY14 budget using the following changes and assumptions:**
1. **Village Levy:** assume a Village levy increase of 6.4% (largely driven by the increase in debt service in FY14 based on past borrowings to support major Village infrastructure improvements – new roads, new utilities);
 2. **Application of “Assigned” One-Time Revenue:** apply the “assigned” remaining amount, roughly \$158K, equally over the next three years (i.e., roughly \$50K per year);
 3. **Unassigned Fund Balance:** apply \$60K in FY14;
 4. **Budget Deficit:** all else being equal and before any of the cuts detailed in 4(G) above, the Committee estimated that this will result in roughly a \$35K FY14 budget deficit. Staff was asked to further explore potential expense reductions, including whether the Village would still need to lease storage space in FY14 and what if any cost savings could be realized if that lease was terminated mid-year.

6. **Future Meeting Dates:** the Committee agreed on future meeting dates to continue discussing a proposed FY14 Budget, as well as budgets for capital/debt service, TID3, TID4, and enterprise funds (i.e., water, sewer, stormwater, pool, waterfront, marina):

- A. **Wed., Oct. 9 (5:30 p.m.);**
 B. **Wed., Oct. 23 or Oct. 30 (5:30 p.m.), if needed.**

7. **Adjourned:** at 6:50 p.m.