

# AGENDA FOR THE VILLAGE OF SHOREWOOD HILLS

## Finance Committee

**Date and Time:** Wednesday, May 13, 2020 – 5:00 P.M.

**Location:** Virtual Meeting via Zoom

To listen to the meeting live, dial (312) 626-6799 US (Chicago).

Meeting ID: 853 0615 0089

Password: 326459

1. Call to order
2. Roll call
3. Note compliance with open meetings law
4. Review/approve previous Finance meeting minutes
5. Presentation of 2019 Village Financial statements and subsequent review and recommendations
6. Update on 2020 budget and COVID-19 Impacts/Responses with any recommendations including delay of due date on property tax bill payments allowed by Dane County but requiring local approval
7. Set next meeting dates
8. Adjourn

***Please Note:***

- *Written comments on the agenda can be sent to [info@shorewood-hills.org](mailto:info@shorewood-hills.org) before 8:00 am on May 13, 2020.*
- *To register to speak on an agenda item, send an email to [info@shorewood-hills.org](mailto:info@shorewood-hills.org) before 8:00 am on May 13, 2020 detailing which item is of interest. Your comments may be limited to 3 minutes.*

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PLEASE TAKE NOTICE, that any person who has a qualifying disability as defined by the Americans with Disability Act that requires the meeting or materials at the meeting to be in an accessible location or format, should contact the Municipal Clerk, 810 Shorewood Boulevard, or phone 267-2680, during regular business hours at least 48 hours before the meeting so that reasonable arrangements can be made to accommodate each request.

It is possible that members of, and possibly a quorum of members of other governmental bodies of the Village of Shorewood Hills who are not members of the above committee, commission or board may be in attendance at the above stated meeting to gather information. However, no formal action will be taken by any governmental body at the above stated meeting, other than the Board, committee or commission identified in the caption of this notice.

**Village of Shorewood Hills  
Finance Committee  
Draft Meeting Minutes  
Wednesday, October 16, 2019**

**1. Call to Order**

Finance Committee member John Imes called the meeting to order at 5:35 pm.

**2. Roll Call Committee**

Members present were Mr. Imes, Dave Ahmann, Carl Gulbrandsen, Gard Strother, Sean Cote and Karl Wellensiek. Mark Lederer was excused. Also in attendance were Village Administrator Karl Frantz, Police Chief Aaron Chapin and Administrative Services Manager/Deputy Clerk David Sykes.

**3. Note Compliance with open meeting laws**

Mr. Frantz confirmed the meeting had been properly posted and noticed.

**4. Review/approve previous Finance meeting minutes**

Mr. Lederer provided some redlined suggestions to the proposed minutes from September 11 and September 24.

Mr. Cote moved and Mr. Wellensiek seconded a motion to approve the September 11, 2019 minutes with Mr. Lederer's redlined suggestions and one change.

Approved 6-0.

Mr. Strother moved and Mr. Gulbransen seconded a motion to approve the September 24, 2019 minutes with Mr. Lederer's redlined suggestions and one change.

Approved 6-0.

**5. Continue work on 2020 Village budgets, finances and possible recommendations including levy for short-term debt and flood expenses**

Mr. Frantz reviewed the changes to the General Fund (GF) budget since the Committee's last meeting. The 2018 unassigned fund balance was \$764,270. The 2019 projected surplus is \$26,808 (down from \$36,304 at last meeting). The 2020 expense budget is \$4,060,976 (up from \$4,023,522 due to increase in debt service of \$59,868).

The 2020 budget projects a \$16,539 surplus that is mainly due to favorable interest on investments and some expected FEMA reimbursements that were paid for in 2018.

The GF may need to cover a \$63,554 shortfall in the Public Fire Protection (PFP) fee paid to the water utility. Mr. Frantz will be discussing options for the PFP shortfall with the Village's auditors.

Mr. Frantz inquired with Park Bank about a short-term borrowing for the GF items that can be classified as assets (as such, they are exempt from levy limits). Park Bank quoted a rate of 4% and required an accelerator clause in the loan that could adversely affect the Village's bond rating. Brad Viegut of R.W. Baird provided options with three banks they work with at a rate of ~2% and no accelerator clause. By consensus, the Committee suggested Mr. Frantz allow Park Bank to match the terms or go with the option provided by Mr. Viegut.

Mr. Frantz reviewed projected 2018 Flood damage estimates, potential FEMA/State reimbursements and the local share responsibility. We will not know the actual costs until

the projects are bid; and we do not know if FEMA will actually come through with the funds. State law allows unreimbursed disaster expenses to be levied in excess of the levy limit during the year of a disaster (2018) or the year after (2019 payable 2020). Mr. Frantz is waiting for a response from the Department of Revenue regarding the ability to levy for these expenses next year (2020 payable 2021) as well. Alternatively, all of the damages will be capital projects and the Village could use a short-term borrowing to cover the local share. The short-term debt would be exempt from levy limits, in the same way we are using that tool in the 2020 budget.

The other funds have not changed much since the previous meeting. Mr. Frantz has included expenses for the Comprehensive Plan Update in the GF and Tax Increment District (TID) Funds, \$10,000 and \$13,000 respectively.

The utility funds are expected to run a surplus over the next few years and will be able to pay back the Capital Fund advances.

The Village's portion of taxes for next year would increase by about \$155 on an average \$590,000 home. The Village's equalized value increased less than other municipalities in Dane County which should translate to the Village paying a smaller portion to the other taxing jurisdictions.

Mr. Frantz reviewed the highlights of changes to the other funds:

Sewer Utility – Rates were adjusted in 2017. Revenues are stable over the past few years and it should be able to pay back a majority of its advance in 2020. Madison Metropolitan Sewer District is proposing an overall rate increase of 9%, the specific increase to the Village's treatment expenses is not yet known.

Waterfront Fund – Due to replacement of pier boards and some improvements planned for next year, the budget is showing a small deficit. The enterprise fund has some cash available to cover these minor shortfalls.

Debt Service Fund – The fund tracks incoming debt and outgoing debt payments. The amounts in this budget will change when the BABs refunding and new debt borrowing is completed.

Capital Fund – In 2020, the Village is in line for a Local Road Improvement Program (LRIP) grant to assist with the resurfacing of Harvard, Highbury and Hunter Hill. The other revenue is the \$500,000 from the borrowing. The expenses reflect all the items in the 5-year capital plan. The Board is yet to approve all of the items in the plan. Bottom line expenses and revenues can be misleading due to revenues coming in one year and expenses going out in a future year. Staff will update the detailed list of the available funds in the Capital Fund budget and share with the Committee.

TID III Fund – The Lodgic project is nearing completion which should add about \$6M in increment to the District. It is performing very well on revenues but it carries a lot of debt and has large expenses, as well, including developer incentives for The Boulevard and 700 UBD apartments.

TID IV Fund – The TID is comprised of the first Lodge apartments and the shops along University Avenue. It is generating revenue to pay for administrative expenses, debt, and a developer incentive. There is a \$200K expense budgeted in 2019 for a traffic signal replacement that the City of Madison has not yet billed the Village. The Village borrowed for that expense previously and is available in the TID IV fund balance.

TID V Fund – The district was created to assist with the demolition of the Pyare Square Building and construction of the Lodge II apartments. A developer incentive was

included for low income housing and demolition costs. The increment created is used to cover the developer incentive and administrative expenses.

Stormwater Fund – The Stormwater Fund is now in good shape due to the rate increase implemented earlier this year. It should generate ~\$211K in revenue next year and in the future. A bioinfiltration basin is planned for Edgehill Parkway with a 50/50 matching grant of \$20K.

Water Fund – The fund is finally looking stable now that we are able to detect major leaks in a timely fashion. Revenues are sufficient to pay back the Capital Fund advance at a rate of about \$100K annually. Projected surpluses could allow the advance to be paid back more quickly.

Mr. Cote moved and Mr. Strother seconded a motion to recommend the Village Board approve all of the fund budgets, with the exception of the Capital Improvement Fund budget and Pool Budget, as presented to the Committee on October 16, 2019.

Approved 6-0.

**6. Set next meeting date**

The Committee's next regular meeting is scheduled for Wednesday, November 13, 2019 unless an additional budget meeting is needed before that time.

**7. The meeting was adjourned at 6:50 pm.**

Respectfully submitted,

David Sykes  
Administrative Services Manager/Deputy Clerk

**RESOLUTION 2020-\_\_\_**

**A RESOLUTION WAIVING INTEREST AND PENALTIES ON CERTAIN  
DELINQUENT PROPERTY TAX INSTALLMENT PAYMENTS DUE IN 2020.**

WHEREAS, a health emergency has been declared in Wisconsin due to the ongoing COVID-19 pandemic; and

WHEREAS, the COVID-19 pandemic and various emergency health orders issued in response thereto have created financial hardship for Village businesses, families and every taxpayer in the Village; and

WHEREAS, on April 15, 2020 the Wisconsin Legislature enacted 2019 Act 185 which, among other things, authorizes local taxation districts to waive penalties and interest that would otherwise become due on late payments of property tax installments which were due on or before April 1, 2020, provided that the county authorizes such a waiver by resolution; and WHEREAS, on May 7, 2020, the Dane County Board adopted its Resolution 2020 RES-020 authorizing all taxation districts in Dane County to waive interest and penalties as provided in 2019 Act 185; and

WHEREAS, the Dane County Board has determined that all property tax payers in Dane County are experiencing hardship within the meaning of 2019 Act 185; and

WHEREAS, the Village Board finds that waiving penalties and interest on late property tax installment payments as authorized by 2019 Act 185 and Dane County resolution 2020 RES-020 will promote the public interest;

NOW, THEREFORE, BE IT RESOLVED, that:

1. The Village Board finds that all property taxpayers in the Village have suffered, and will continue to suffer financial hardship within the meaning of 2019 Act 185 due to the COVID-19 pandemic and the various federal, state and local governmental rules, regulations, emergency orders and other efforts taken to mitigate its effects.
2. The Village hereby waives all otherwise applicable penalties and interest on any installment payment of general property taxes payable in 2020 on property within the Village that is due and payable after April 1, 2020, provided that the total amount due and payable in 2020 is paid on or before October 1, 2020. Interest and penalties shall accrue from October 1, 2020 for any property taxes payable in 2020 that are delinquent after October 1, 2020.
3. This Resolution is intended to implement the authority granted by §105(25) of 2019 Act 185 and Dane County Resolution 2020 RES-020 and shall be interpreted and applied consistent with those enactments.

ADOPTED at a regular meeting of the Village of Shorewood Hills Board this 18th day of May, 2020.

APPROVED: \_\_\_\_\_  
David J. Benforado, Village President

Attested: \_\_\_\_\_  
Karla Endres, Village Clerk