

# Village of Shorewood Hills 2024 Budget ▶ Presentation

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# Key Abbreviations and Terms

- ▶ Fund - Group of accounts used to track revenues, expenditures, and reserves designated for a specific purpose
- ▶ F/B - Fund Balance: Essentially the Fund's reserve
  - ▶ Undesignated Fund Balance - Amount of the Fund's reserve that is not otherwise allocated to a specific purpose
- ▶ Tax Rate (also referred to as mill rate): The amount of tax payable per \$1000 of assessed value
- ▶ COLA - Cost of Living Adjustment: percentage-based increase to the salary grid intended to adjust wages based on inflation and market pressures
- ▶ GF - General Fund: Fund used for general village operations
- ▶ Equalized Value: Estimated fair market value of all property in each taxation district
- ▶ Assessment Ratio: The relationship between the assessed value and the Equalized Value
- ▶ TIF - Tax Incremental Financing: an economic development technique to expand the property base using property value increases to fund improvements that would otherwise not occur
- ▶ TID - Tax Increment District: physical area designated for improvements using tax incremental financing

# 2023 Year-End Summary



General Fund Revenues \$354k over



General Fund Expenditures  
\$8k under



Estimated EOY surplus - \$362k

# Fund Balance Status

- ▶ Undesignated F/B as of 12/31/22 (per 2022 audit): \$886,738 - 21.1%
- ▶ Estimated F/B as of 12/31/23: \$1,222,401 - 23.2% (relative to proposed 2024 budget)
  - ▶ 2024 budget includes the use of \$118k of fund balance

**PROPOSED**  
**2023 Tax Levy Summary for 2024 Budget**

|   |                 |
|---|-----------------|
| OPERATING LEVY                                  | 2,294,877       |
| SMALL CAPITAL LEVY                              | 32,000          |
| DEBT SERVICE LEVY                               | 1,071,981       |
| <br>TOTAL LEVY                                  | <br>3,398,858   |
| <br>TOTAL VALUE (TID OUT)                       | <br>669,669,350 |
|   | ASSESSSED VALUE |
| <br><b>TOTAL TAX RATE</b>                       | <br>5.0754      |
| Operating Only Tax Rate                         | 3.4269          |
| <br>Increase/(Decrease) on property assessed at |                 |
| \$2,000,000                                     | \$351.08        |
| \$750,000                                       | \$131.66        |
| \$500,000                                       | \$87.77         |
| \$250,000                                       | \$43.89         |

|                                     |                           |       |
|-------------------------------------|---------------------------|-------|
| <b>2023 (projected EOY Balance)</b> | \$ 1,222,401.00           | 0.291 |
| 62713                               | 23 budgeted FB not needed |       |
| 362950                              | 2023 Surplus              |       |
| -90000                              | XFR to Capital            |       |
|                                     |                           |       |

|                                   |                |       |
|-----------------------------------|----------------|-------|
| 2024 (assuming projected correct) | \$1,104,401.00 | 0.246 |
| -118000                           | FB Application |       |
|                                   |                |       |
|                                   |                |       |

**VILLAGE OF SHOREWOOD HILLS  
TAX LEVY AND RATE COMPARISON**

|                                   | <b>ADOPTED<br/>LEVY<br/>2023</b> | <b>ADOPTED<br/>LEVY<br/>2024</b> | <b>INCREASE<br/>(DECREASE)</b> | <b>%<br/>INCREASE<br/>(DECREASE)</b> |
|-----------------------------------|----------------------------------|----------------------------------|--------------------------------|--------------------------------------|
| <b>PROPERTY TAX LEVY SUMMARY:</b> |                                  |                                  |                                |                                      |
| General Fund                      | \$ 2,157,406                     | \$ 2,294,877                     | \$ 137,471                     | 6.37%                                |
| Debt                              | \$ 1,081,107                     | \$ 1,071,981                     | \$ (9,126)                     | -0.84%                               |
| Small Capital                     | \$ 30,000                        | \$ 32,000                        | \$ 2,000                       | 6.67%                                |
| <b>TOTAL</b>                      | <b>\$ 3,268,513</b>              | <b>\$ 3,398,858</b>              | <b>\$ 130,345</b>              | <b>3.99%</b>                         |

|                                   | <b>ACTUAL<br/>TAX RATE<br/>2023</b> | <b>ACTUAL<br/>TAX RATE<br/>2024</b> | <b>INCREASE<br/>(DECREASE)</b> | <b>%<br/>INCREASE<br/>(DECREASE)</b> |
|-----------------------------------|-------------------------------------|-------------------------------------|--------------------------------|--------------------------------------|
| <b>PROPERTY TAX RATE SUMMARY:</b> |                                     |                                     |                                |                                      |
| General Fund                      | 3.23                                | 3.43                                | 0.19                           | 5.96%                                |
| Debt                              | 1.62                                | 1.60                                | -0.02                          | -1.23%                               |
| Small Capital                     | 0.04                                | 0.05                                | 0.00                           | 6.25%                                |
| <b>TOTAL (TID OUT)</b>            | <b>4.90</b>                         | <b>5.08</b>                         | <b>0.18</b>                    | <b>3.58%</b>                         |

|                                   | <b>ACTUAL<br/>TAX RATE<br/>2023</b> | <b>ACTUAL<br/>TAX RATE<br/>2024</b> | <b>INCREASE<br/>(DECREASE)</b> | <b>%<br/>INCREASE<br/>(DECREASE)</b> |
|-----------------------------------|-------------------------------------|-------------------------------------|--------------------------------|--------------------------------------|
| <b>PROPERTY TAX RATE SUMMARY:</b> |                                     |                                     |                                |                                      |
| General Fund                      | 2.90                                | 3.07                                | 0.17                           | 5.95%                                |
| Debt                              | 1.45                                | 1.44                                | -0.02                          | -1.24%                               |
| Small Capital                     | 0.04                                | 0.04                                | 0.00                           | 6.24%                                |
| <b>TOTAL (TID IN)</b>             | <b>4.39</b>                         | <b>4.55</b>                         | <b>0.16</b>                    | <b>3.57%</b>                         |

|                          |                |                |                |        |
|--------------------------|----------------|----------------|----------------|--------|
| Assessed (TID OUT) Value | \$ 667,059,000 | \$ 669,669,350 | \$ 2,610,350   | 0.39%  |
| Assessed (TID IN) Value  | \$ 743,846,300 | \$ 746,835,900 | \$ 2,989,600   | 0.40%  |
| Equalized Value          | \$ 738,470,200 | \$ 861,248,100 | \$ 122,777,900 | 16.63% |
| Assessment Ratio         | 1.007          | 0.867          |                |        |

- ▶ Median home value - \$799,000
- ▶ Village portion of property tax for the median home value year over year will increase \$140.26
- ▶ Aug 31, 2023 CPI - 5.4%
  - ▶ Budget book incorrectly shows 7.7% (will get corrected in final version)
- ▶ Assessment Ratio dropped significantly again
  - ▶ May be looking at another revaluation in 2-3 years

# 2024 General Fund Revenues and Expenditures

Revenues up \$104k  
(excluding property  
tax, fund balance,  
and transfers)

Expenditures up  
\$290k (GF and tax  
levy supported  
portions of other  
funds)

# 2024 GF Highlights

Wages

Health Insurance premiums -  
12% increase

Adjusting allocations of  
staff time

Reallocations of certain  
expenses

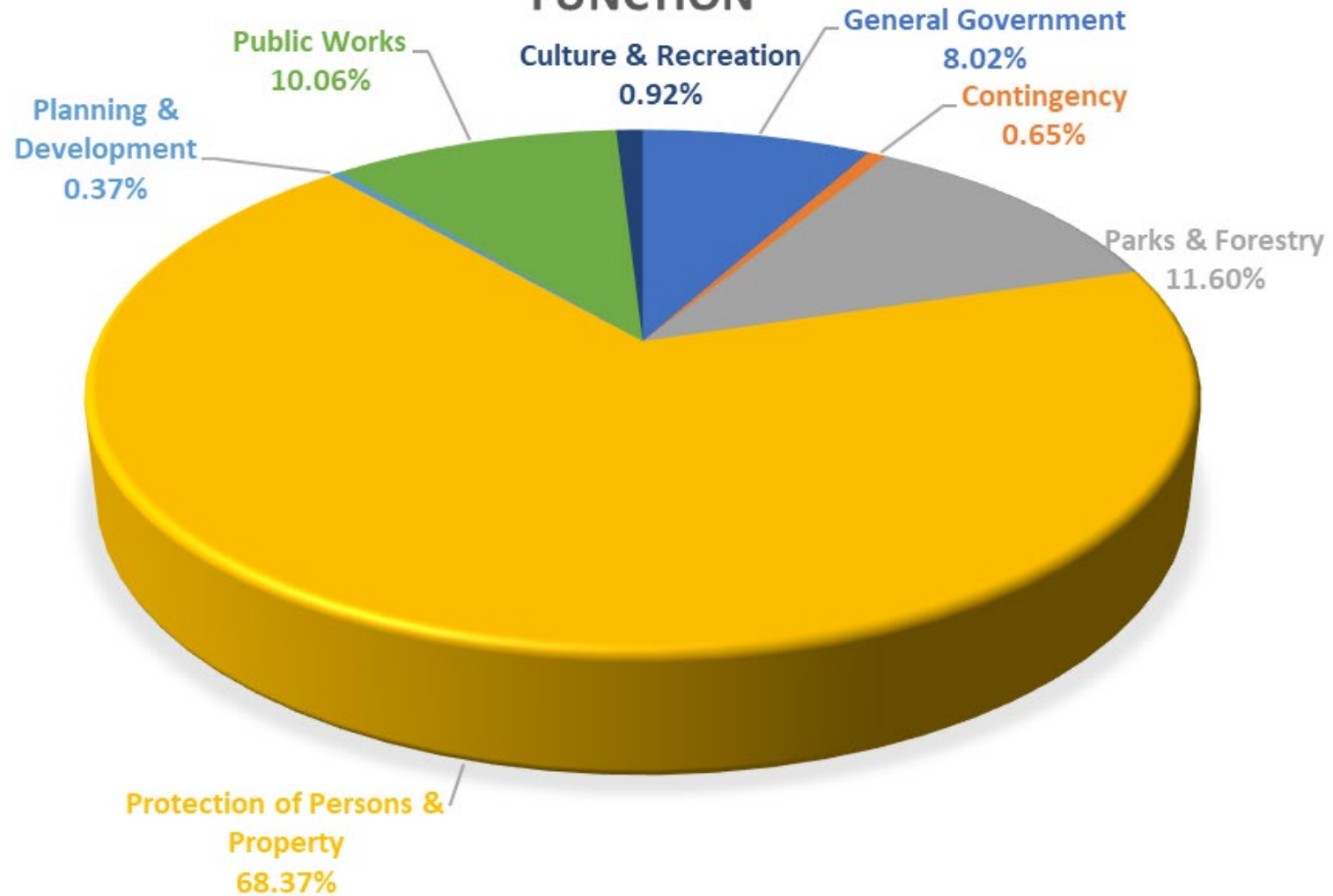
Conversion of Forestry  
Assistant to FT position

Significant increase in Tree  
Maint & Removals for tree  
treatment

Strategic Plan and Website



## PERCENTAGE OF PROPERTY TAX LEVY FOR GENERAL FUND BY FUNCTION



| Area                             | Approximate Cost to Median Value Home (\$799,000) |
|----------------------------------|---|
| General Government               | \$219.65  |
| Protection of Persons & Property | \$1872.09   |
| Public Works                     | \$275.52  |
| Parks & Forestry                 | \$317.67  |
| Culture & Recreation             | \$25.26   |
| Planning & Dev.                  | \$10.12   |
| Contingency                      | \$17.85   |

# Debt Service

Total Debt Payment \$1,081,107

Principal - \$975,079

Interest - \$106,822

Fiscal Charges - \$5,500

Debt Levy Tax Rate - \$1.69 (2023 was \$1.71) - excludes TID increment values (TID OUT)

| <u>Issue</u>                              | <u>Date of Maturity</u> | <u>Interest Rates</u> | <u>Principal Balance</u> | <u>Total Principal</u>          | <u>Principal Balance Supported by Other Funds</u> |                   |                  |                   |                   |                   |
|---|-------------------------|-----------------------|--------------------------|---------------------------------|---|-------------------|------------------|-------------------|-------------------|-------------------|
|   |                         |                       |                          | <u>Supported by Other Funds</u> | <u>TID 3</u>                                      | <u>TID 4</u>      | <u>Pool</u>      | <u>Sewer</u>      | <u>Storm</u>      | <u>Water</u>      |
| 2012 G.O. Bonds                           | 3/1/2027                | 2.00-2.50%            | \$ 480,000               | \$ 230,000                      | \$ 150,000  | \$ 40,000         | \$ -             | \$ -              | \$ 40,000         | \$ -              |
| 2013 Taxable G.O. Bonds                   | 5/1/2030                | 2.50-3.55%            | \$ 1,435,000             | \$ 1,435,000                    | \$ 1,005,000                                      | \$ 430,000        | \$ -             | \$ -              | \$ -              | \$ -              |
| 2013 G.O. Bonds                           | 5/1/2033                | 2.80-4.00%            | \$ 1,905,000             | \$ 936,674                      | \$ 535,000  | \$ -              | \$ -             | \$ -              | \$ -              | \$ 401,674        |
| 2015 G.O. Notes                           | 5/1/2025                | 2.25-2.50%            | \$ 505,000               | \$ 152,806                      | \$ 100,000  | \$ 10,000         | \$ -             | \$ 42,806         | \$ -              | \$ -              |
| 2017 G.O. Notes                           | 5/1/2027                | 3.00%                 | \$ 1,165,000             | \$ 245,000                      | \$ 30,783   | \$ 104,217        | \$ -             | \$ 25,000         | \$ 40,000         | \$ 45,000         |
| 2019 G.O. Notes, 1/7/2019                 | 5/1/2028                | 3.00-4.00%            | \$ 1,465,000             | \$ 1,465,000                    | \$ 1,135,000                                      | \$ 330,000        | \$ -             | \$ -              | \$ -              | \$ -              |
| 2019 G.O. Notes, 11/13/2019               | 5/1/2029                | 2.00-3.00%            | \$ 1,815,000             | \$ 1,310,000                    | \$ 665,000  | \$ -              | \$ 55,000        | \$ 115,000        | \$ 180,000        | \$ 295,000        |
| 2022 G.O. Bonds                           | 5/1/2037                | 3.00-5.00%            | \$ 5,915,000             | \$ 5,185,000                    | \$ 5,185,000                                      | 0                 | 0                | 0                 | 0                 | 0                 |
| <b>TOTAL G.O. DEBT (as of 12/31/2023)</b> |                         |                       | <b>\$ 14,685,000</b>     | <b>\$ 10,959,480</b>            | <b>\$ 8,805,783</b>                               | <b>\$ 914,217</b> | <b>\$ 55,000</b> | <b>\$ 182,806</b> | <b>\$ 260,000</b> | <b>\$ 741,674</b> |

|  | <u>State of WI</u> | <u>Village Policy</u> |
|--|--------------------|-----------------------|
| 2023 Equalized Value                     | \$ 861,248,100.00  | \$ 861,248,100.00     |
| Allowable % of Equalized Value           | 0.05               | 0.038                 |
| Statutory Debt Limit                     | \$ 43,062,405.00   | \$ 32,296,803.75      |
| Less: General Obligation Debt            | \$ 14,685,000.00   | \$ 14,685,000.00      |
| Unused Debt Limit as of 12/31/2023       | \$ 28,377,405.00   | \$ 17,611,803.75      |
| Actual % of Debt Limits as of 12/31/2023 | 34.10%             | 45.47%                |

## Tax Incremental Finance Districts

- ▶ TID 4 & 5 are continuing to perform as expected TID 3 has a significant jump in value and status at end of life has greatly improved - continue to monitor
- ▶ \$Total TID value on 2023 Tax Roll - \$126,731,100 (\$92,987,000 increment)
  - ▶ 10.8% of allowable value

## 2024 Capital Fund Highlights

Three new  
vehicles

McKenna  
Park Master  
Plan

Tennis Court  
Resurfacing

Towable Lift  
for Forestry

# End-game Projection

|                                | Actual     | Projected |
|--------------------------------|------------|-----------|
| Tax Bill                       | 2022       | 2023      |
| Year Due<br>(Budget)           | 2023       | 2024      |
| Village Portion<br>of Tax Bill |            |           |
| Median Value<br>Home           | \$3,915.10 | \$4026.96 |

Median Value in 2023 Tax Year is \$799,000

# Other Funds Fund Balance Projections

| <b><u>Fund Balance</u></b> | <b><u>2022</u></b> | <b><u>2023</u></b> | <b><u>2024</u></b> |
|----------------------------|--------------------|--------------------|--------------------|
| Pool                       | \$ 327,562         | \$ 43,750          | \$ 72,981.00       |
| Marina                     | \$ 68,472          | \$ 76,831          | \$ 57,256.00       |
| Rec Program                |                    | \$ 57,084          | \$ 31,309.00       |
| Debt                       | \$ 19,896          | \$ 19,896          | \$ 19,896.00       |
| Capital                    | \$ 476,257         | \$ 38,637          | \$ 44,214.64       |
| Water                      | \$ -               | \$ 47,349          | \$ 84,386.00       |
| Storm                      | \$ 12,230          | \$ 115,700         | \$ (29,887.00)     |
| Wastewater                 | \$ -               | \$ 794             | \$ 37,240.00       |



# Water Utility

Revenue up \$61k

Expenditures up \$85k

- Includes depreciation (historically not budgeted)
- Salaries and Benefits increased

Projected surplus - \$37k

# Wastewater Utility

Revenue up \$95k

Expenditures up -

- Salaries and Benefits increased
- Debt payments increased
- Cost for meter upgrades/replacements

Projected surplus - \$36k

- Rate analysis Fall 2023 with anticipated implementation Jan 2024

# Stormwater Utility

Revenue up \$145k

- Excludes fund balance and surplus revenue

Expenditures up - \$294k

- Capital expense of leaf picker and street sweeper
- Salaries and Benefits increased

Projected deficit - \$54k

- Rate increased June 2023
- FB in negative at end of 2023

# Special Revenue Funds

- ▶ Waterfront
  - ▶ Deficit of \$20k due to capital improvements
  - ▶ Partial coverage of deficit by 2023 surplus
  - ▶ Should consider rate increase
- ▶ Recreation
  - ▶ Operational expenses are self-sustaining
  - ▶ Some programs increased program fees in 2023
  - ▶ Need to evaluate revenues to limit need to “lend” funds for large expenses
- ▶ Pool
  - ▶ Self-sustaining and profitable
  - ▶ Able to carry full cost of 2023 capital projects using F/B
  - ▶ Includes conversion of pool manager to regular FT position

▶ Questions?