VILLAGE OF SHOREWOOD HILLS
FINANCE COMMITTEE
Meeting Minutes - DRAFT
October 28, 2024 – 7:00 pm
Location: Village Hall – Hybrid / Zoom

1. **Call to Order:**
   Finance Committee Chairperson Mark Lederer called the meeting to order at 7:00 pm.

2. **Roll Call:**
   Members Present: Chair Mark Lederer, Gloria Beach, Dietmar Bassuner, Sean Cote, and Marilyn Townsend
   Members Absent: Liz Heiner (excused), Gard Strother
   Also in Attendance: Village Administrator Brian Mooney, Clerk-Treasurer Julie Fitzgerald

3. **Note Compliance with Open Meeting Laws:**
   Fitzgerald stated the meeting had been properly posted and noticed.

4. **Approval of Minutes: September 23, 2024**
   Beach questioned why vote counts were not included in minutes of previous meetings. It was explained that this is the consistent practice across all minutes for the Village. Counts are used when a roll call vote is requested. Beach requested and the Committee agreed that the September 23, 2024, meeting minutes note that on item 7 the "motion carried 3-1 with Townsend dissenting."
   M/S Townsend/Cote to approve the September 23, 2024, minutes with correction as discussed. Motion carried.

5. **Public Comments:**
   Beach asked to address the Committee in the public comment section of the agenda since she was not in attendance at the August and September meetings. She requested that future meetings be posted on YouTube, as it is sometimes difficult to find meeting recordings on the Village's Facebook page. She also questioned a handout that was referenced during the last meeting that was not part of the meeting packet available to the public. It was explained that the item in question was a last-minute informational page that Lederer shared with the Committee. No action was taken based on the content.

6. **Discussion – TID Projections:**
   Mooney referred to the 2023 TID presentation provided by Vandewalle and Associates provided in the meeting packet. He noted that TID 3 is showing a negative balance, and he is currently working on an interfund loan from TID 4 to TID 3 if needed. This will be addressed at future meetings. Lederer provided a brief overview of how TIDs work and explained that the TIDs are not going to be closed for several years and at that time the Village will be able to recognize revenue from them.

7. **Discussion/Possible Action – 2024 Levy for 2025 Budget:**
   Administrator Mooney referenced the proposed levy as provided in the meeting packet. The overall levy increase from 2023 to 2024 is $71,133. This would result in a 2.58% tax rate increase (equal to 13 cents per thousand). The Committee discussed the budget and speculated on fund balance for the General Fund.
   M/S Bassuner/Cote to recommend approval of the levy amount of $3,469,991 as proposed in the 2024 tax levy summary for the 2025 budget.
   Upon roll call vote, motion carried 5-0.

8. **Discussion/Possible Action – 2025 Village Budget**
   Mooney briefed the Committee about the utilities budgets and the need to address rates. He has been notified that the MMSD (Madison Metro Sewer District) is proposing an increase for 2025. This would result in the Village needing to do a sewer rate increase of about 4%. The City of Madison is also pursuing a water rate increase some time in 2025. The 2025 water utility budget being presented cannot reflect that change until the PSC has officially approved Madison's request. The Village will most likely need to pursue an increase to water rates next year to cover the increased costs from Madison as well as afford capital improvements in the future.
   M/S Bassuner/Townsend to recommend the Administrator post the Notice of Public Hearing for the 2025 Budget. Motion carried.

9. **Future Agenda Items:**
   A. Future Revenue Sources
   B. Financial Policy
   C. Future Street and Roads Projects (Cote)
   D. Discussion of Prospective new TID or TID modification on University Ave (Beach)
   E. Status Report on Garden Homes Development (Townsend)

10. **Next Meeting Date:** To be determined

11. **Adjourn:**
    M/S Townsend/Cote to adjourn. Motion carried.
    The Finance Committee adjourned at 9:06 pm.

Respectfully submitted,

Julie Fitzgerald
Village Clerk/Treasurer

Village of Shorewood Hills
Finance Committee

February 17, 2025

Baird Public Finance

Brad Viegut
Managing Director
414.298.7540
bviegut@rwbaird.com

Discover the Baird Difference

Village of Shorewood Hills

SUMMARY OF FINANCING	
Issue:	General Obligation Promissory Notes (the "Notes")
Estimated Size:	$1,168,000

Purpose:	• Capital Improvement Projects ("CIP") to be funded in 2025:
	  • Levy Supported - $885,000
	  • Pool Supported - $75,000
	  • Water Supported - $175,000

Structure:	Matures Annually 5/1/2026-5/1/2035
First Interest:	May 1, 2026
Callable:	TBD
Est. Interest Rate:	5.00%

SUMMARY OF KEY PARAMETERS	
Not to Exceed Par:	$1,175,000
Authority for Final Sign-off:	President and Village Administrator
Not to Exceed Interest Rate (TIC %):	5.75%
Maturity Schedule:	Matures Annually 5/1/2026-5/1/2035
Per Maturity Increase/Decrease:	Up to $100,000

Village of Shorewood Hills
TIMELINE

- Finance Committee considers Financing Plan and Parameters Resolution.....February 17, 2025

  A Parameters Resolution defines a narrow set of parameters for the issuance of the Notes. Provides additional flexibility to lock-in long-term interest rate between Village Board meeting dates.
  - Authority for final sign-off on the sale of the Notes, within designated parameters, is delegated to the President and Village Administrator.

- Village Board considers Finance Committee recommendation and adopts Parameters Resolution.....March 17, 2025

- Preparations are made for issuance.....Ongoing
  - Preliminary Term Sheet
  - Distribute Term Sheet to local and national banks
  - Discussion with bank(s)

- President & Village Administrator execute Approving Certificate (target date to finalize terms and interest rate).....April 30, 2025

  Approving Certificate certifies that designated parameters established in Parameters Resolution are met.

- Closing (funds available).....May 15, 2025

Village of Shorewood Hills
FINANCING ILLUSTRATION

VY YEAR	YEAR DUE	EXISTING DEBT SERVICE (Levy Supported) (A)	2025 CIP - $1,135,000 Project Fund		Project Fund:			YEAR DUE
			$1,168,000		$885,000	$75,000	$175,000	
			G.O. PROMISSORY NOTES - POS		10 YR AMORTIZATION	10 YR AMORTIZATION	10 YR AMORTIZATION	
			Dated May 15, 2025		$911,000	$77,000	$180,000	
			(First interest 5/1/26)		LEVY	POOL	WATER	
			PRINCIPAL (5/1)	INTEREST (5/1 & 11/1) TIC= 5.00%	TOTAL	TOTAL	TOTAL	
2023	2024	$1,081,901						2024
2024	2025	$1,129,632						2025
2025	2026	$448,084	$684,000	$68,229	$719,804	$9,525	$22,900	2026
2026	2027	$443,910	$40,000	$23,200	$29,600	$10,475	$23,125	2027
2027	2028	$256,855	$42,000	$21,150	$29,675	$10,125	$23,350	2028
2028	2029	$256,833	$44,000	$19,000	$29,700	$9,775	$23,525	2029
2029	2030	$197,772	$47,000	$16,725	$29,675	$10,400	$23,650	2030
2030	2031	$196,506	$49,000	$14,325	$29,600	$10,000	$23,725	2031
2031	2032	$198,553	$51,000	$11,825	$29,475	$9,600	$23,750	2032
2032	2033	$157,446	$54,000	$9,200	$30,275	$10,175	$22,750	2033
2033	2034	$44,500	$57,000	$6,425	$30,000	$9,725	$23,700	2034
2034	2035	$43,300	$100,000	$2,500	$68,675	$10,250	$23,575	2035
2035	2036	$47,025						2036
2036	2037	$45,675						2037
2037	2038							2038
2038	2039							2039
2039	2040							2040
2040	2041							2041
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2052	2053							2053
2053	2054							2054
		$4,547,992	$1,168,000	$192,579	$1,026,479	$100,050	$234,050	

(A) Inclusive of payoff of 2024 STFL on 3/15/25.

(B) Assumes hypothetical bid premium used to offset estimated interest cost in the amount of $369,654.

(C) Assumes the following future borrowings:

	2029	2034
Borrowing Amount:	$3,530,000	$10,000,000
Amortization (Years)	10.00	20.00
Est. Interest Rate (%)	4.25%	5.00%
Purpose	2029 CIP	Village Hall

(D) This information is provided for information purposes only. It does not recommend any future issuances and is not intended to be, and should not be regarded as, advice.

(E) Mill Rate based on 2023 & 2024 Assessed Valuations (TID OUT) of $666,201,465 & $663,031,159 respectively, with 2.00% annual growth.

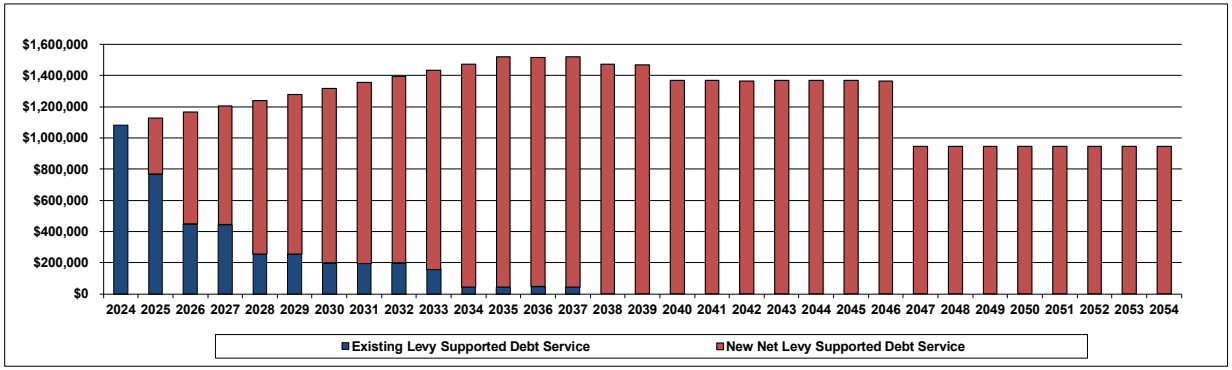
Assumes additional valuation of $21,633,200 (2024 Increment Value) could be added in 2030-31 from the projected closure of the Village's TID #4 in 2030.

Assumes additional valuation of $74,697,300 (2024 Increment Value) could be added in 2032-33 from the projected closure of the Village's TID #3 in 2031.

(F) Levy supported debt service cannot exceed 25% of the Village's operating revenues. Represents debt service in excess of the Village's debt policy.

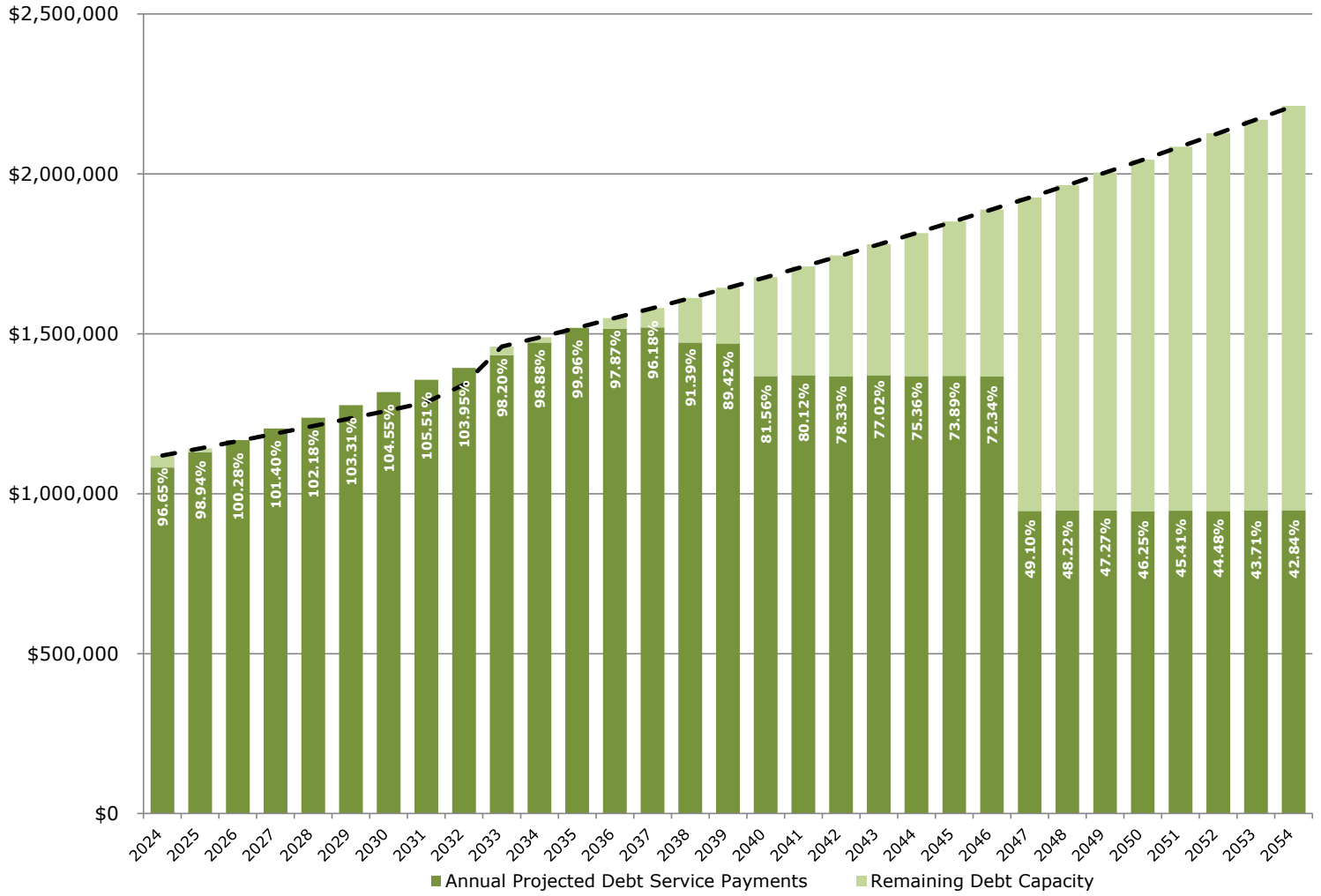
Village of Shorewood Hills
FINANCING ILLUSTRATION, CONTINUED

LEVY YEAR	YEAR DUE	2026 - 2028 CIP $9,435,000 G.O. PROMISSORY NOTES Dated October 1, 2026 (First interest 5/1/27) PRINCIPAL (5/1)	NET INTEREST [B] (5/1 & 11/1) TIC= 3.97%	20 YR AMORTIZATION $5,910,000 FACILITIES (LEVY) TOTAL	10 YR AMORTIZATION $2,600,000 LEVY TOTAL	10 YR AMORTIZATION $925,000 POOL TOTAL	FUTURE DEBT SERVICE (Levy Supported) (C) (D)	COMBINED DEBT SERVICE (Levy Supported)	COMBINED MILL RATE (E)	INCREASE (DECREASE) OVER PRIOR YEAR	EXCESS OF FORMAL DEBT POLICY (F)	YEAR DUE
2023	2024						$0	$1,081,901	$1.62		-	2024
2024	2025						$0	$1,129,632	**$1.70**	$0.08	-	2025
2025	2026						$0	$1,167,887	**$1.73**	$0.03	$3,311	2026
2026	2027	$730,000	$110,986	$321,757	$409,229	$110,000	$0	$1,204,497	**$1.75**	$0.02	$16,629	2027
2027	2028	$670,000	$393,615	$391,870	$559,628	$112,118	$0	$1,238,028	**$1.76**	$0.01	$26,403	2028
2028	2029	$735,000	$365,588	$419,495	$570,753	$110,340	$0	$1,276,780	**$1.78**	$0.02	$40,923	2029
2029	2030	$425,000	$336,588	$484,370	$165,753	$111,465	$440,363	$1,317,932	**$1.80**	$0.02	$57,357	2030
2030	2031	$490,000	$313,713	$423,620	$267,753	$112,340	$439,194	$1,356,672	**$1.77**	($0.03)	$70,886	2031
2031	2032	$550,000	$287,713	$511,620	$213,128	$112,965	$440,913	$1,393,688	**$1.78**	$0.01	$52,936	2032
2032	2033	$660,000	$257,463	$594,620	$209,503	$113,340	$441,994	$1,433,837	**$1.64**	($0.14)	-	2033
2033	2034	$850,000	$219,075	$750,193	$210,364	$108,519	$437,544	$1,472,600	**$1.65**	$0.01	-	2034
2034	2035	$425,000	$186,244	$287,296	$210,579	$113,369	$908,619	$1,518,469	**$1.67**	$0.02	-	2035
2035	2036	$475,000	$163,069	$314,958	$210,279	$112,833	$944,163	$1,516,424	$1.63	($0.04)	-	2036
2036	2037	$275,000	$143,756	$418,756			$1,055,675	$1,520,106	$1.61	($0.02)	-	2037
2037	2038	$290,000	$129,208	$419,208			$1,054,000	$1,473,208	$1.53	($0.08)	-	2038
2038	2039	$305,000	$113,886	$418,886			$1,051,475	$1,470,361	$1.49	($0.04)	-	2039
2039	2040	$320,000	$99,393	$419,393			$948,500	$1,367,893	$1.36	($0.13)	-	2040
2040	2041	$335,000	$85,801	$420,801			$949,875	$1,370,676	$1.34	($0.02)	-	2041
2041	2042	$350,000	$71,588	$421,588			$945,125	$1,366,713	$1.31	($0.03)	-	2042
2042	2043	$365,000	$56,751	$421,751			$949,125	$1,370,876	$1.29	($0.02)	-	2043
2043	2044	$380,000	$41,293	$421,293			$946,750	$1,368,043	$1.26	($0.03)	-	2044
2044	2045	$395,000	$25,211	$420,211			$948,000	$1,368,211	$1.23	($0.03)	-	2045
2045	2046	$410,000	$8,508	$418,508			$947,750	$1,366,258	$1.21	($0.02)	-	2046
2046	2047						$946,000	$946,000	$0.82	($0.39)	-	2047
2047	2048						$947,625	$947,625	$0.81	($0.01)	-	2048
2048	2049						$947,500	$947,500	$0.79	($0.02)	-	2049
2049	2050						$945,625	$945,625	$0.77	($0.02)	-	2050
2050	2051						$946,875	$946,875	$0.76	($0.01)	-	2051
2051	2052						$946,125	$946,125	$0.74	($0.02)	-	2052
2052	2053						$948,250	$948,250	$0.73	($0.01)	-	2053
2053	2054						$948,125	$948,125	$0.72	($0.01)	-	2054
		$9,435,000	$3,409,445	$8,700,192	$3,026,965	$1,117,288	$21,425,188	$38,726,816				



Village of Shorewood Hills
FORMAL DEBT POLICY

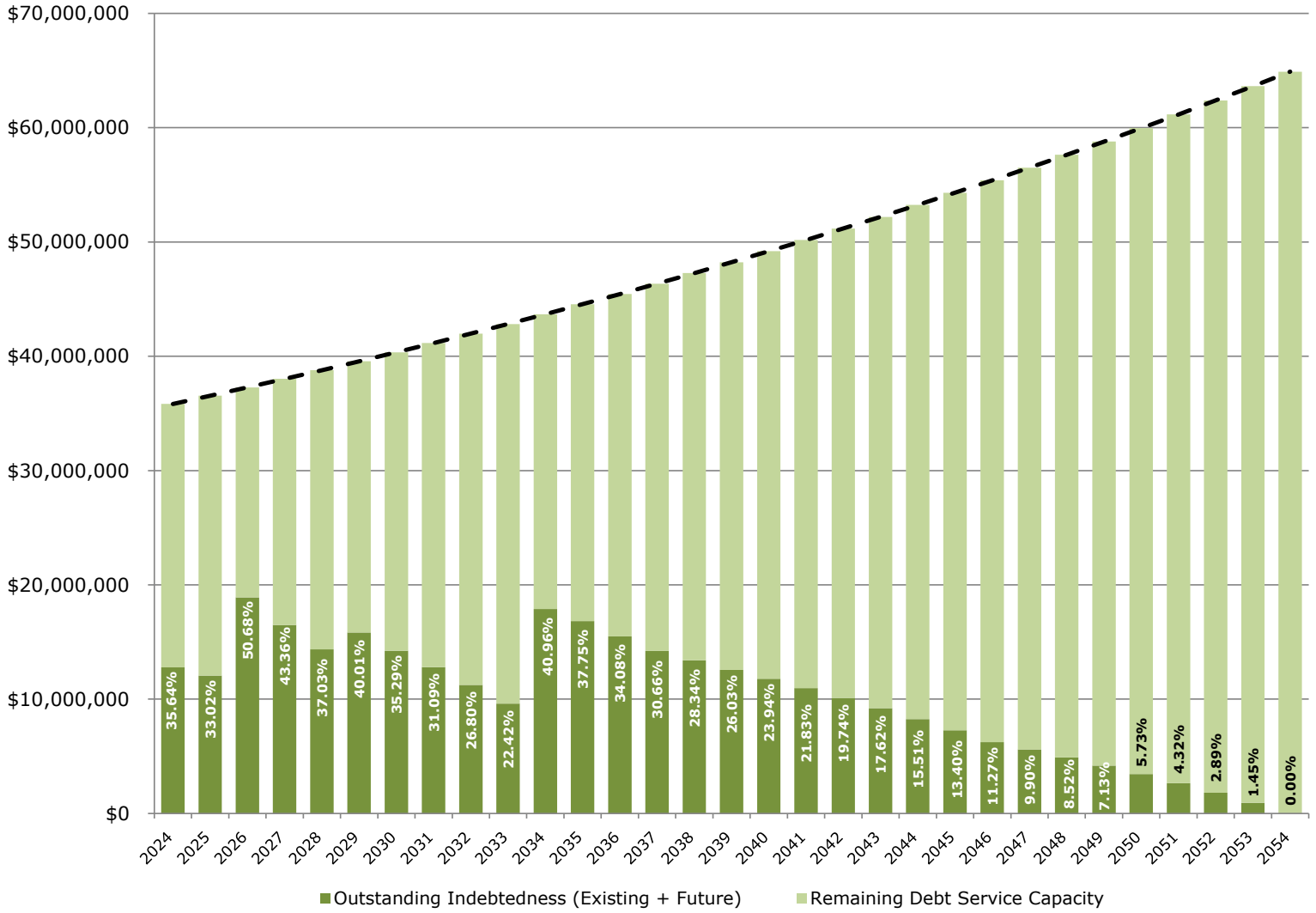
Levy supported principal and interest payments shall not exceed 25% of operating revenue



25% of budgeted 2024 operating revenue with 2% annual growth.
Annual debt service payments on tax-supported debt, excluding revenue, pool and tax increment finance supported debt.
Assumes additional operating revenue growth in 2032 and 2033 from projected closure of TID 3 & TID 4.

Village of Shorewood Hills
UNWRITTEN DEBT POLICY

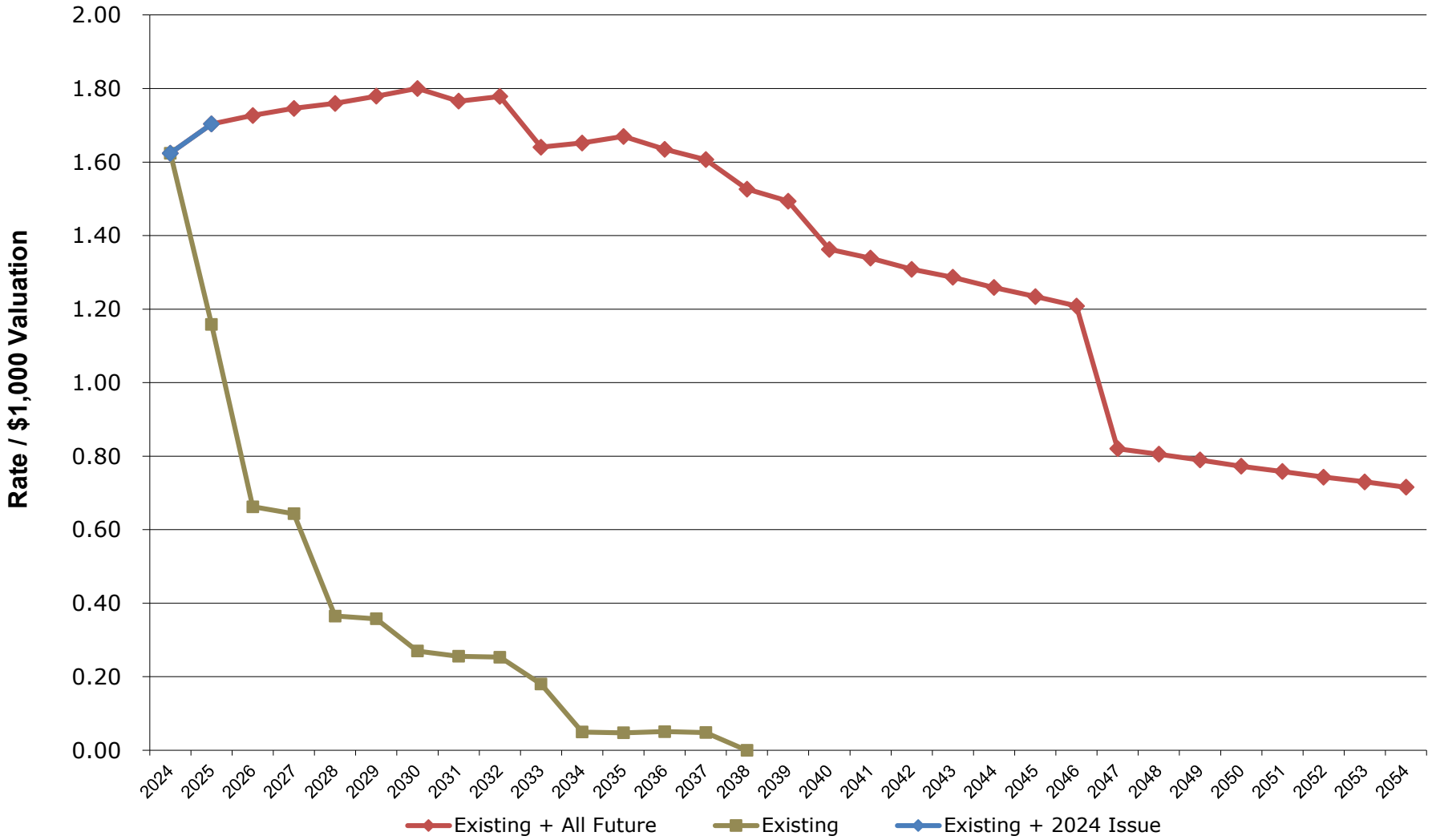
Outstanding principal shall not exceed 75% of statutory debt limit



Based on 75% of statutory debt limit with 2% annual growth in Equalized Valuation (TID-IN).

Village of Shorewood Hills

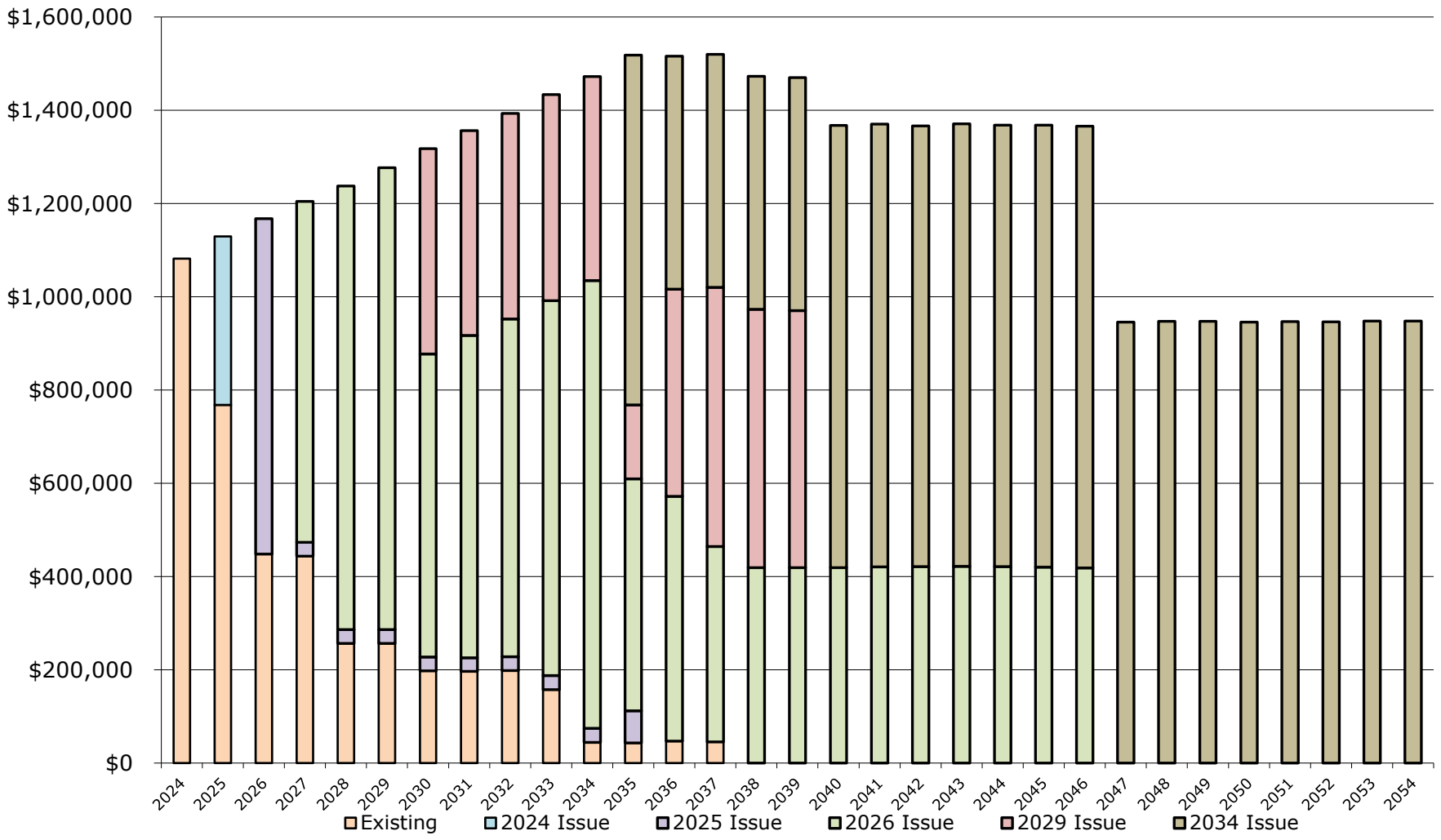
LEVY SUPPORTED DEBT SERVICE TAX RATE



Note: Tax rate based on the 2023 and 2024 Assessed Valuations (TID-OUT) of $666,201,465 & $663,031,159 respectively, with annual growth of 2.00% thereafter.
2024 State Trust Fund Loan to be paid off on 3/15/25.

Village of Shorewood Hills

LEVY SUPPORTED DEBT SERVICE



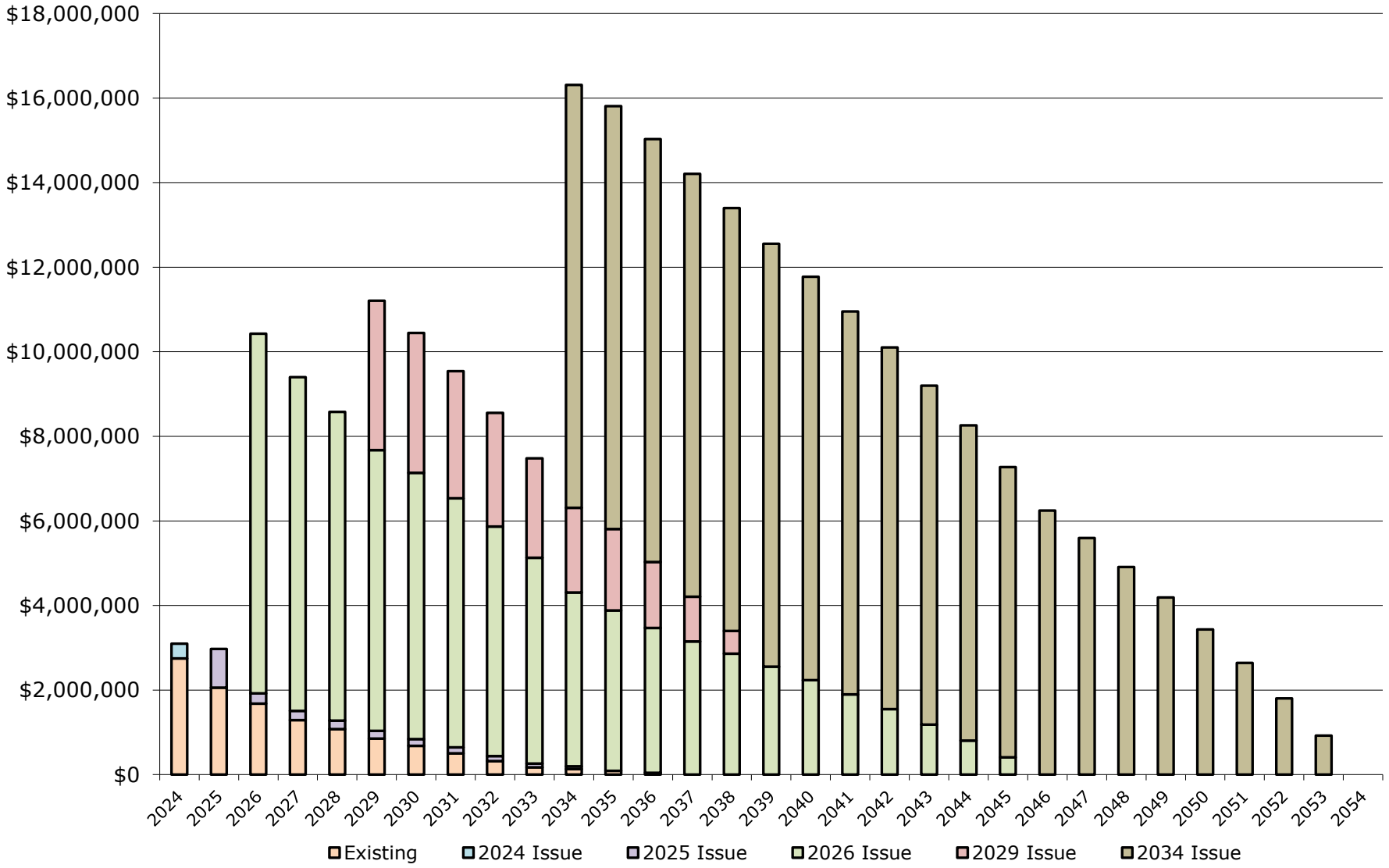
Notes: Assumes future interest rates of 4.25% for 2029 and 5.00% for 2034 Notes issues.

Graph represents levy supported debt service payments net of estimated bid premium for 2026 G.O. Promissory Notes.

2024 State Trust Fund Loan to be paid off on 3/15/25.

Village of Shorewood Hills

LEVY SUPPORTED PRINCIPAL OUTSTANDING



(5) **Removal.** The members of all committees may be removed prior to the end of their terms under the provisions of Wis. Stats. §17.13 and §17.14.

(6) **Vacancies.** Vacancies on village committees shall be filled in accordance with Wis. Stats. §17.24.

(7) **Compensation.** Appointed members of committees shall serve without compensation.

(8) **Term of Office.** The terms of office for all citizen members of all standing committees and subcommittees shall be three years. The terms of the committee members other than the trustee chairperson shall be staggered so that one-third of the membership is appointed annually, beginning on May 1 of each year. Members may be reappointed to successive terms, without limitation as to total years of service.

(9) **Supplemental Membership.** The standing committees may be supplemented upon recommendation of the chairperson as follows:

(a) A second trustee may, from time to time, be appointed as a voting member of any standing committee.

(b) A representative of the garden club may be appointed to the parks committee; however, the garden club representative shall not enlarge the membership of the committee.

(c) One representative from the Firefighters Association and the Emergency Medical Services Association, each, may be appointed to a voting position on the Public Health and Safety committee.

(10) **Committees.**

(a) ***Committee of the Whole.*** The village board in its entirety shall constitute the committee of the whole. The village president shall be its presiding officer and meetings shall be conducted in an orderly manner. The committee of the whole shall be called to meet at the discretion of the village president.

(b) ***Standing Committees.*** Members of standing committees of the village board shall be appointed by the village president, subject to confirmation by the village board. Except as provided otherwise below, such committees shall consist of one trustee and six citizen members. The trustee, appointed annually, shall be the chair of the committee. The standing committees and their powers and duties shall be as follows:

1. Finance. The village finance committee shall: review the proposed annual budget and recommend the level of the annual tax levy to the village board; develop and recommend to the village board financial policies including: management of village funds, investments, accumulation of reserves, financing of debt, and other related matters.

Draft Recommended Modifications to the Boards, Commissions, and Committees in the Village of Shorewood Hills (Revised 1-15-25)

Shorewood Hills is a vibrant village with a rich history, supported by a dedicated community of residents. Like many municipalities, we face the increasing complexity of modern governance, with growing demands for efficient services, responsible financial management, and long-term sustainability. To meet these challenges, our governance structure must evolve to reflect our current priorities and ensure we remain a well-functioning, inclusive community.

Currently, over 100 volunteers contribute their time and expertise across various committees, boards, commissions, and recreational programs. Their dedication is invaluable and central to keeping the Village thriving. However, the existing structure and procedures don't fully align with the Village's policy and administrative needs. There is also a need for clearer distinctions between advisory roles and policy-making responsibilities.

Community Engagement: Enhancing Inclusion and Participation

Our goal is to foster a more inclusive environment where all residents feel empowered to contribute meaningfully to Village decision-making. By establishing clear, equitable, and constructive pathways for community engagement, we aim to ensure advisory committees play a vital role in shaping Village policy without duplicating efforts or creating conflicting initiatives.

The proposed framework offers changes to committee structures, defining roles and responsibilities while working closely with existing committee members to preserve the collaborative spirit that makes our Village unique. The overarching goal is to increase inclusiveness and participation, ensuring committee efforts are focused on key priorities that align with Village policies.

Revised Structure of Boards and Commissions

To better serve the Village's evolving needs, we propose establishing five types of boards and commissions, each designed to fulfill a specific function:

1. **Statutorily Required Boards/Commissions** Required by Wisconsin state law, with membership determined by statute.
2. **Policy Committees** Composed of three Trustees, these committees will focus on policy recommendations for the full Board of Trustees.

Proposed Six-Month Trial: To ensure these Policy Committees are effective and sustainable, we recommend a six-month trial period for the three recommended committees: Finance, Parks and Recreation, and Public Safety, Public Works, and Services. During this trial, care will be taken to avoid overburdening staff. Staff time and resources will be carefully managed to ensure the governance structure remains practical and efficient over the long term.

3. **Advisory Committees (with a Trustee liaison)** Comprising seven residents or subject matter experts, these committees will provide recommendations to the Policy Committees.
4. **Ad Hoc Committees** Formed to address short-term, special needs; these seven-member committees will advise relevant Policy Committees.

5. **Single-Purpose Committees** Focused on ongoing, specific purposes, these committees will include residents, external appointees, and subject matter experts to advise relevant Policy Committees.

Appointment Process

To ensure consistency and transparency in appointments, the following guidelines are recommended:

- **Statutorily Required Boards/Commissions:** Appointed by the Village President (e.g., Plan Commission, Board of Review, Board of Zoning Appeals).
- **Policy Committees:** Appointed by the Village President.
- **Advisory Committees:** Appointed by the Village President, in consultation with Trustees.
- **Ad Hoc Committees:** Appointed by the Village President.
- **Single-Purpose Committees:** Appointed by the Village President.

Restructure of the Personnel Committee

We propose restructuring the Personnel Committee into a Committee of the Whole (Village Board) with the following responsibilities:

- Hiring, evaluating, and disciplining the Village Administrator.
- Hearing appeals on personnel matters.

Recommended Policy Committees

To align Village efforts with strategic priorities, we propose establishing the following Policy Committees:

- **Finance**
- **Parks and Recreation**
- **Public Safety, Public Works, and Services**

Six-Month Trial Implementation: The proposed trial period for these committees will allow the Village to assess their functionality, effectiveness, and impact on staff workload. Feedback from staff, Trustees, and community members will be used to refine the approach, ensuring the committees enhance governance without stretching resources too thin.

Recommended Advisory Committees

Advisory Committees will support the Policy Committees in these key areas:

- **Finance Advisory Committee:** Advising the Finance Policy Committee.
- **Parks & Forestry and Active Recreation, Pool, and Waterfront Committees:** Advising the Parks and Recreation Policy Committee.
- **Public Health & Safety, Public Works, and Services Committee:** Advising the Public Safety, Public Works, and Services Policy Committee.

- **Personnel Advisory Committee:** Advising the Village Administrator.

Ad Hoc Committees

Created as needed for special or specific projects.

- **Village Recognition Committee**

Single-Purpose Committees

Single-purpose committees, which may include external members, will continue to address ongoing, specific mandates. Current examples include:

- **Blackhawk Country Club Liaison Committee**
- **Joint Review Board:** Responsible for overseeing Tax Increment Financing (TIF) allocations.

Conclusion

These proposed modifications are designed to streamline the Village's governance structure, reduce redundancy, and ensure efforts are focused on key policy areas that align with Shorewood Hills' strategic plan. The recommended six-month trial for the Finance, Parks and Recreation, and Public Safety, Public Works, and Services Policy Committees will allow us to carefully evaluate their impact and refine the approach. By implementing this trial without overburdening staff, we aim to create a sustainable governance structure that meets the evolving needs of our Village while maintaining the high level of service and community engagement that defines us.