

# **VILLAGE OF SHOREWOOD HILLS**

Madison, Wisconsin

## FINANCIAL STATEMENTS

Including Independent Auditors' Report

As of and for the Year Ended December 31, 2015

# VILLAGE OF SHOREWOOD HILLS

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## INDEPENDENT AUDITORS' REPORT

To the Village Board  
Village of Shorewood Hills  
Madison, Wisconsin

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Shorewood Hills, Wisconsin, as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise the Village of Shorewood Hills' basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditors' Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Village of Shorewood Hills' preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the Village of Shorewood Hills' internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

To the Village Board  
Village of Shorewood Hills

***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Shorewood Hills, Wisconsin, as of December 31, 2015 and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

***Other Matter***

*Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the required supplementary information as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

*Baker Tilly Vinchow Krause, LLP*

Madison, Wisconsin  
May 11, 2016

# VILLAGE OF SHOREWOOD HILLS

## MANAGEMENT'S DISCUSSION AND ANALYSIS – UNAUDITED As of and for the Year Ended December 31, 2015

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The management of the Village of Shorewood Hills offers all persons interested in the financial position of the village this narrative overview and analysis of the village's financial performance during the fiscal year ending December 31, 2015. You are invited to read this narrative in conjunction with the village's financial statements.

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### FINANCIAL HIGHLIGHTS

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- > The liabilities of the Village of Shorewood Hills exceeded its assets by \$35,700 (net position deficit). Of this amount, \$(2,433,145) is considered unrestricted net position (deficit), \$533,636 is restricted for pensions, and \$1,863,809 is net investment in capital assets.
  - > The village's total net position decreased \$1,229,835. Governmental activities net position decreased by \$1,277,930, and business-type activities net position increased by \$48,095. The governmental activities decrease is primarily due to a change in financial reporting for the lease with Blackhawk Country Club. See page ix for more information.
  - > On December 31, 2015, the village's governmental funds reported combined fund balances of \$2,719,698, an increase of \$1,064,841 from 2014.
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### OVERVIEW OF THE FINANCIAL STATEMENTS

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This discussion and analysis is intended to serve as an introduction to the village's basic financial statements. These financial statements consist of two parts: Management's Discussion and Analysis (this section) and the basic financial statements. The basic financial statements include two kinds of statements that present different views of the village:

- > The first two statements are government-wide financial statements that provide both long-term and short-term information about the village's overall financial status.
- > The remaining statements are fund financial statements that focus on individual parts of the village government, reporting the village's operations in more detail than the government-wide statements.

These financial statements also include notes that explain some of the information in the financial statements and provide more detail data. The statements are followed by a section of required supplementary information that further explains and supports the information in the financial statements. The remainder of this overview section of management's discussion and analysis explains the structure and contents of each of the statements.

#### **GOVERNMENT-WIDE STATEMENTS**

The government-wide statements report information about the village as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the government's assets, deferred outflows, liabilities, and deferred inflows. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

# VILLAGE OF SHOREWOOD HILLS

MANAGEMENT'S DISCUSSION AND ANALYSIS – UNAUDITED  
As of and for the Year Ended December 31, 2015

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## **OVERVIEW OF THE FINANCIAL STATEMENTS (cont.)**

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### ***GOVERNMENT-WIDE STATEMENTS (cont.)***

The two government-wide statements report the village's net position and how it has changed. Net Position – the difference between the village's assets and liabilities and deferred inflows – is one way to measure the village's financial health, or position. Over time, increases or decreases in the village's net position are an indicator of whether its financial health is improving or deteriorating. To assess the overall health of the village you need to consider additional non-financial factors such as changes in the village's property tax base and the condition of the village's roads.

The statement of activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the cash flows. Thus, revenue and expenses reported in this statement for some items will only result in cash flows in future fiscal periods.

### ***FUND FINANCIAL STATEMENTS***

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The village, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the village can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

*Governmental Funds* – Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The village maintains seven individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, swimming pool, debt service fund, capital improvement fund, Tax Incremental District No. 3 fund, and Tax Incremental District No. 4 fund, each of which are considered to be major funds. The village has one nonmajor fund: waterfront, which is also presented on the governmental balance sheet and statement of revenues, expenditures, and changes in fund balances.

The village adopts an annual appropriated budget for all its funds.

# VILLAGE OF SHOREWOOD HILLS

## MANAGEMENT'S DISCUSSION AND ANALYSIS – UNAUDITED As of and for the Year Ended December 31, 2015

### OVERVIEW OF THE FINANCIAL STATEMENTS (cont.)

#### *FUND FINANCIAL STATEMENTS* (cont.)

*Proprietary Funds* – The village maintains three different types of proprietary funds (water, sewer, and stormwater utilities), each of which are enterprise funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements.

*Fiduciary Funds* – Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the village's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

*Notes to Financial Statements* – The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

*Other Information* – In addition to the basis financial statements and accompanying notes, *required supplementary information* presents a detailed budget comparison schedule for the general fund and swimming pool fund to demonstrate compliance with the budget.

### FINANCIAL ANALYSIS OF THE VILLAGE AS A WHOLE

An analysis of the village's financial position begins with a review of the Statement of Net Position and the Statement of Activities. These two statements report the village's net position and changes therein. It should be noted that the financial position can also be affected by non-financial factors, including economic conditions, population growth and new regulations.

A summary of the village's Statement of Net Position is presented below in Table 1.

**Table 1  
Condensed Statements of Net Position**

	Governmental Activities		Business-type Activities		Totals	
	2015	2014	2015	2014	2015 *	2014*
Current and other assets	\$ 6,499,747	\$ 6,161,111	\$ 99,066	\$ 160,654	\$ 6,598,813	\$ 6,321,765
Capital assets	8,759,586	8,929,919	5,446,243	5,454,290	14,205,829	14,384,209
Total Assets	15,259,333	15,091,030	5,545,309	5,614,944	20,804,642	20,705,974
Deferred outflows of resources	244,010	-	18,743	-	262,753	-
Long-term debt outstanding	14,362,300	13,232,642	3,178,350	3,303,874	17,540,650	16,536,516
Other liabilities	231,285	304,293	74,470	84,612	305,755	388,905
Total Liabilities	14,593,585	13,536,935	3,252,820	3,388,486	17,846,405	16,925,421
Deferred inflows of resources	3,256,690	3,120,054	-	-	3,256,690	3,120,054
Net investment in capital assets	(82,939)	(331,373)	2,429,226	2,225,530	1,863,809	1,445,079
Restricted	496,957	-	36,679	-	533,636	-
Unrestricted	(2,760,950)	(1,234,586)	(154,673)	928	(2,433,145)	(784,580)
Total Net Position	\$ (2,346,932)	\$ (1,565,959)	\$ 2,311,232	\$ 2,226,458	\$ (35,700)	\$ 660,499

\* The total column reflects a capital debt adjustment. See Note I.D.10. for further information.

# VILLAGE OF SHOREWOOD HILLS

## MANAGEMENT'S DISCUSSION AND ANALYSIS – UNAUDITED As of and for the Year Ended December 31, 2015

### FINANCIAL ANALYSIS OF THE VILLAGE AS A WHOLE (cont.)

One portion of the village's net position reflects its investment in capital assets (e.g., land, buildings, machinery and equipment, and infrastructure), less any debt used to acquire those assets that is still outstanding. The village uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the village's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The remaining balance of unrestricted net position may be used to meet the government's ongoing obligations to citizens and creditors.

**Table 2  
Condensed Statement of Activities**

	Governmental Activities		Business-type Activities		Totals	
	2015	2014	2015	2014	2015	2014
<b>Revenues:</b>						
Program Revenues						
Charges for services	\$ 943,482	\$ 909,398	\$ 855,998	\$ 881,992	\$ 1,799,480	\$ 1,791,390
Operating grants and contributions	312,551	275,848	18,121	18,553	330,672	294,401
Capital grants and contributions	116,629	170,426	57,243	155,984	173,872	326,410
General Revenues						
Property taxes	3,120,054	2,766,639	-	-	3,120,054	2,766,639
Intergovernmental	77,505	61,425	-	-	77,505	61,425
Other	309,742	225,666	-	-	309,742	225,666
Total Revenues	<u>4,879,963</u>	<u>4,409,402</u>	<u>931,362</u>	<u>1,056,529</u>	<u>5,811,325</u>	<u>5,465,931</u>
<b>Expenses:</b>						
General government	865,226	740,497	-	-	865,226	740,497
Public safety	1,455,130	1,536,435	-	-	1,455,130	1,536,435
Public works	1,668,012	1,133,161	-	-	1,668,012	1,133,161
Culture, education and recreation	769,428	552,214	-	-	769,428	552,214
Conservation and development	21,476	26,980	-	-	21,476	26,980
Water	-	-	414,093	417,541	414,093	417,541
Sewer	-	-	263,215	258,047	263,215	258,047
Stormwater	-	-	148,211	136,026	148,211	136,026
Interest and fiscal charges	394,741	407,206	-	-	394,741	407,206
Total Expenses	<u>5,174,013</u>	<u>4,396,493</u>	<u>825,519</u>	<u>811,614</u>	<u>5,999,532</u>	<u>5,208,107</u>
Income (Loss) Before Special Item and Transfers	(294,050)	12,909	105,843	244,915	(188,207)	257,824
Special item	(1,041,628)	129,494	-	-	(1,041,628)	129,494
Transfers	57,748	52,036	(57,748)	(52,036)	-	-
Changes in Net Position	(1,277,930)	194,439	48,095	192,879	(1,229,835)	387,318
Beginning Net Position (As Restated)	(1,069,002)	(1,760,398)	2,263,137	2,033,579	1,194,135	273,181
Ending Net Position	<u>\$ (2,346,932)</u>	<u>\$ (1,565,959)</u>	<u>\$ 2,311,232</u>	<u>\$ 2,226,458</u>	<u>\$ (35,700)</u>	<u>\$ 660,499</u>

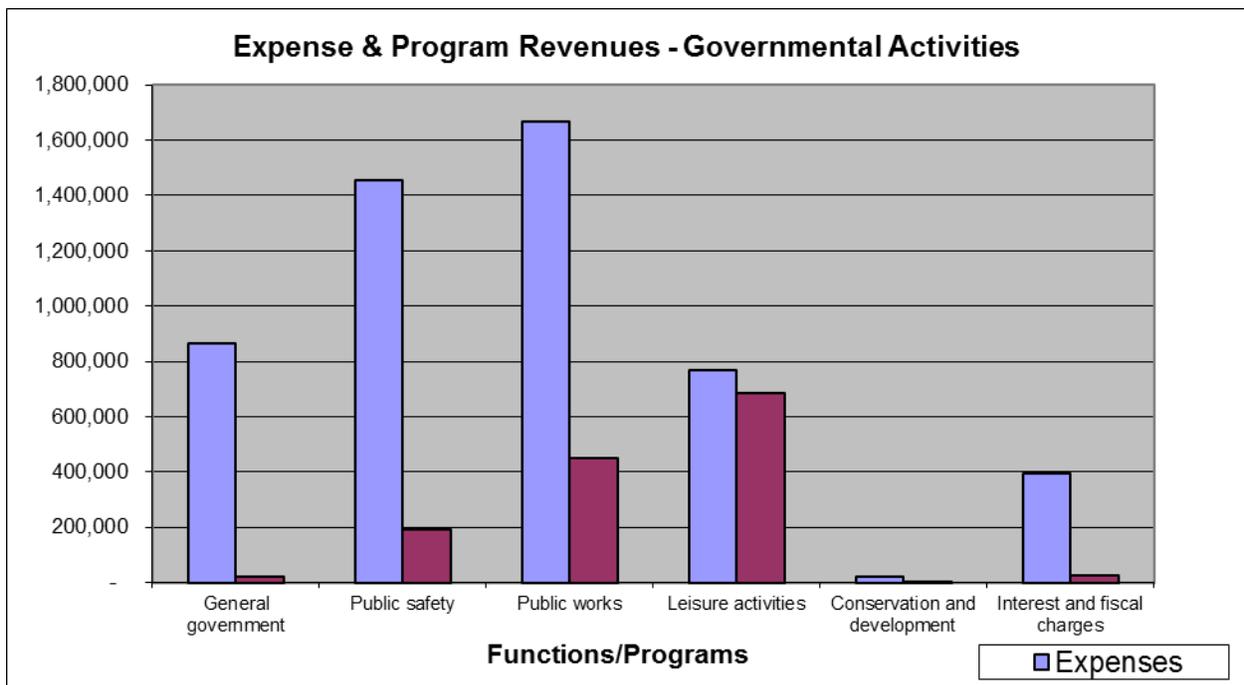
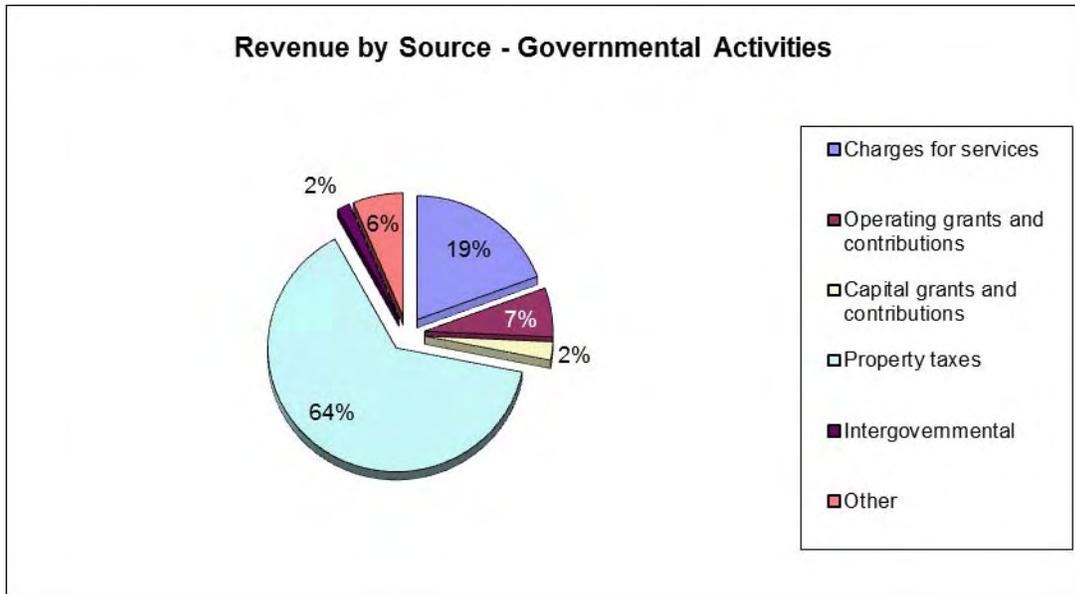
The 2014 columns have not been restated.

# VILLAGE OF SHOREWOOD HILLS

MANAGEMENT'S DISCUSSION AND ANALYSIS – UNAUDITED  
As of and for the Year Ended December 31, 2015

## FINANCIAL ANALYSIS OF THE VILLAGE AS A WHOLE (cont.)

As previously noted, the Statement of Net Position shows the change in financial position of net position. The specific nature or source of these changes then becomes more evident in the Statement of Activities as shown above in Table 2.



# VILLAGE OF SHOREWOOD HILLS

MANAGEMENT'S DISCUSSION AND ANALYSIS – UNAUDITED  
As of and for the Year Ended December 31, 2015

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## FINANCIAL ANALYSIS OF THE VILLAGE AS A WHOLE (cont.)

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### **GOVERNMENTAL ACTIVITIES**

Governmental activities decreased the village's net position by \$1,277,930. This decrease is primarily a result of the following governmental activities item:

- > The village renegotiated its lease with Blackhawk Country Club Inc. which resulted in the removal of the old lease from the government-wide financial statements because the new lease is considered an operating lease. Operating leases are accounted for differently than capital leases under generally accepted accounting principles (GAAP). This decrease is a loss for financial reporting purposes only. It does not represent an economic loss to the village.

### **BUSINESS-TYPE ACTIVITIES**

Business-type activities increased the village's net position by \$48,095. This increase is primarily a result of the following items:

- > The water utility had a decrease in net position of \$49,188. The income before contributions and transfers for the water utility was \$62,629. The nonoperating expenses, net of revenues, were \$54,069. In addition, there was a transfer out of \$57,748 for the tax equivalent.
- > The sewer utility had an increase in net position of \$62,207. This was due to an operating income of \$54,435, nonoperating revenue of \$3,607, interest expense of \$22,644, and capital paid in by the village of \$26,809.
- > The stormwater utility had an increase in net position of \$35,076. This was due to an operating income of \$31,923, nonoperating revenue of \$5,486, interest expense of \$32,767, and capital paid in by the village of \$30,434.

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## FINANCIAL ANALYSIS OF THE VILLAGE'S FUNDS

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### **GOVERNMENTAL FUNDS**

#### **General Fund**

The village's general fund is the chief operating fund of the village. Total fund balance in the general fund decreased \$63,466 or 6%. This was primarily due to planned use of assigned fund balance from the prior year sale of fire equipment.

The village evaluates general fund balance by measuring the unassigned general fund balance as a percentage of the subsequent year's general fund budget. For 2015, unassigned fund balance is \$779,283 and the 2016 general fund expenditure budget is \$3,578,759 resulting in an unassigned fund balance of 22% of 2016 budgeted expenditures.

#### **Swimming Pool Fund**

The village's swimming pool fund accounts for resources committed to supporting expenditures for the swimming pool program. Total fund balance in the swimming pool fund is \$233,424, which is an increase of \$6,174 from the prior year.

# VILLAGE OF SHOREWOOD HILLS

MANAGEMENT'S DISCUSSION AND ANALYSIS – UNAUDITED  
As of and for the Year Ended December 31, 2015

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## FINANCIAL ANALYSIS OF THE VILLAGE'S FUNDS (cont.)

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### *GOVERNMENTAL FUNDS (cont.)*

#### ***Debt Service Fund***

The village's debt service fund accounts for resources that are restricted to expenditures for the payment of general long-term debt principal, interest, and related costs, other than TID or enterprise debt. Total fund balance in the debt service fund is \$139,538, which is an increase of \$139,538 from the prior year.

#### ***Capital Improvement Fund***

The village's capital improvement fund accounts for proceeds from long-term borrowing and other resources to be used for capital improvement projects. Total fund balance in the capital projects fund is \$516,694, which is an increase of \$13,464 over the prior year. This is primarily due to not spending all of a new borrowing during 2015.

#### ***TID No. 3***

The village's TID No. 3 fund accounts for expenditures outlined in the TID project plan and related revenues and proceeds from long-term borrowing. Total fund balance in the TID No. 3 fund is \$849,691, which is an increase of \$830,026 over the prior year. This is primarily due to a new borrowing in 2015 which has not all been spent.

#### ***TID No. 4***

The village's TID No. 4 fund accounts for expenditures outlined in the TID project plan and related revenues and proceeds from long-term borrowing. Total fund balance in the TID No. 4 fund is \$(143,513), which is an increase of \$130,999 from the prior year. This is primarily due to a new borrowing in 2015 which has not all been spent.

#### ***Nonmajor Governmental Funds***

Fund balance for the nonmajor governmental fund, waterfront, is \$43,511, which is an increase of \$8,106 from the prior year.

# VILLAGE OF SHOREWOOD HILLS

MANAGEMENT'S DISCUSSION AND ANALYSIS – UNAUDITED  
As of and for the Year Ended December 31, 2015

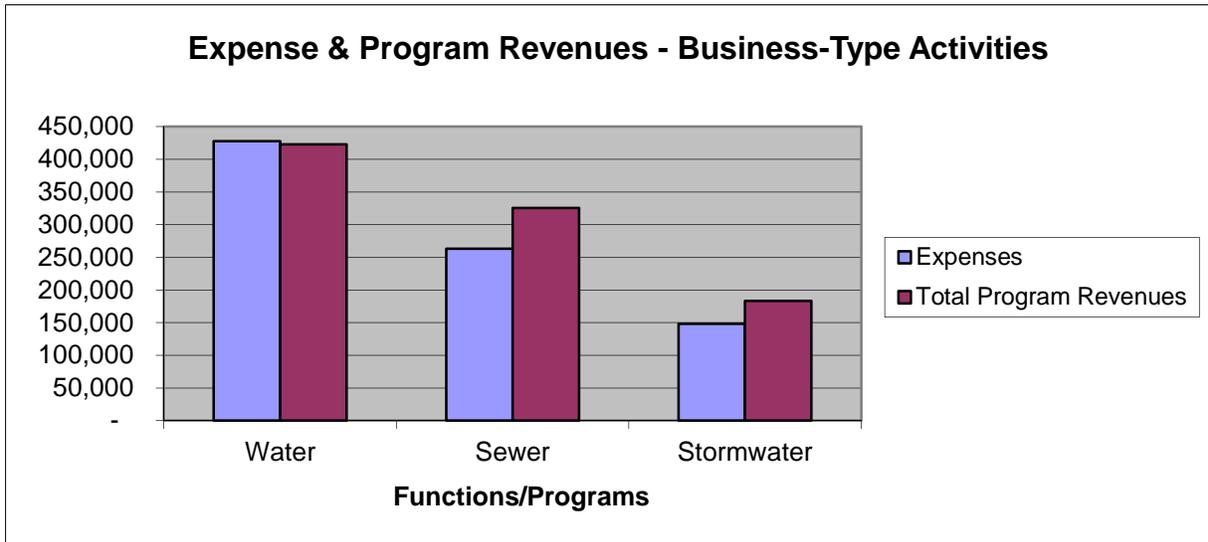
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## FINANCIAL ANALYSIS OF THE VILLAGE'S FUNDS (cont.)

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### *PROPRIETARY FUNDS*

The Village of Shorewood Hills' proprietary fund financial statements provide the same type of information found in the government-wide financial statements, but in more detail. Factors concerning the finances of these funds have already been addressed in the discussion of the village's business-type activities.



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## GENERAL FUND BUDGETARY HIGHLIGHTS

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The original General Fund budget had total appropriations of approximately \$2,800,000 and was not amended during the year.

Actual expenditures and other uses were \$3,566,857, resulting in a negative variance of \$54,503. This was primarily due to negative variances in public safety and culture, education and recreation.

Total revenues and other sources were \$3,445,643, which was \$95,857 greater than the budget. This was primarily due to licenses and permits and miscellaneous revenues in excess of budget.

## VILLAGE OF SHOREWOOD HILLS

### MANAGEMENT'S DISCUSSION AND ANALYSIS – UNAUDITED As of and for the Year Ended December 31, 2015

#### CAPITAL ASSETS

At the end of 2015, the village had invested a total of \$14,205,829 in capital assets. This investment in capital assets includes land, buildings, machinery and equipment and infrastructure. This investment does not include infrastructure acquired prior to 2004 which the village is not required to record.

**Table 3  
Capital Assets**

	Governmental Activities		Business-type Activities		Totals	
	2015	2014	2015	2014	2015	2014
Land	\$ 1,586,284	\$ 1,586,284	\$ -	\$ -	\$ 1,586,284	\$ 1,586,284
Land improvements	1,122,475	1,122,475	-	-	1,122,475	1,122,475
Buildings	2,504,540	2,482,240	-	-	2,504,540	2,482,240
Machinery and equipment	1,621,505	1,546,848	-	-	1,621,505	1,546,848
Infrastructure	4,896,725	4,896,725	-	-	4,896,725	4,896,725
Utility plant	-	-	6,523,592	6,405,781	6,523,592	6,405,781
Total Capital Assets	11,731,529	11,634,572	6,523,592	6,405,781	18,255,121	18,040,353
Less: Accumulated Depreciation	(2,971,943)	(2,704,653)	(1,077,349)	(951,491)	(4,049,292)	(3,656,144)
Net Capital Assets	\$ 8,759,586	\$ 8,929,919	\$ 5,446,243	\$ 5,454,290	\$ 14,205,829	\$ 14,384,209

Additional information on the village's capital assets can be found in Note III. D.

#### LONG-TERM DEBT

At December 31, 2015, the village had \$17,095,000 of general obligation long-term notes and bonds outstanding.

Total long-term notes and bonds outstanding at December 31, 2015 increased by \$1,020,000. This was due to a new borrowing in 2015 exceeding the repayment of existing debt.

In accordance with Wisconsin Statutes, total general obligation indebtedness of the village may not exceed 5% of the equalized value of taxable property within the village's jurisdiction. The debt limit as of December 31, 2015 was \$27,482,570. Total general obligation debt outstanding at year end was \$17,095,000. Therefore, the village was at 62% of its legal debt limit.

**Table 4  
Long-term Debt**

	Governmental Activities		Business-type Activities		Totals	
	2015	2014	2015	2014	2015	2014
General Obligation Debt	\$13,916,650	\$12,771,126	\$ 3,178,350	\$ 3,303,874	\$17,095,000	\$16,075,000

Additional information on the village's long-term debt can be found in Note III. F.

## **VILLAGE OF SHOREWOOD HILLS**

MANAGEMENT'S DISCUSSION AND ANALYSIS – UNAUDITED  
As of and for the Year Ended December 31, 2015

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### **CURRENTLY KNOWN FACTS/ECONOMIC CONDITIONS**

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All currently known facts and economic conditions were considered in preparing the 2016 village budget. None of these conditions are anticipated to change the overall financial position of the village.

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### **REQUESTS FOR INFORMATION**

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This financial report is designed to provide our citizens, customers, investors and creditors with a general overview of the village's finances. If you have questions about this report, or need additional financial information, contact Karl Frantz, Village Administrator.

# VILLAGE OF SHOREWOOD HILLS

## STATEMENT OF NET POSITION As of December 31, 2015

	Governmental Activities	Business-type Activities	Totals
<b>ASSETS</b>			
Cash and investments	\$ 2,356,307	\$ 182,498	\$ 2,538,805
Receivables (net)			
Taxes receivable	3,256,690	-	3,256,690
Accounts	142,329	195,011	337,340
Delinquent personal property taxes	14,705	-	14,705
Internal balances	457,840	(457,840)	-
Prepaid items	27,126	-	27,126
Restricted assets			
Cash and investments	-	161,333	161,333
Net pension asset	244,750	18,064	262,814
Capital Assets			
Land	1,586,284	11,512	1,597,796
Other capital assets, net of accumulated depreciation	<u>7,173,302</u>	<u>5,434,731</u>	<u>12,608,033</u>
Total Assets	<u>15,259,333</u>	<u>5,545,309</u>	<u>20,804,642</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Pension related amounts	<u>244,010</u>	<u>18,743</u>	<u>262,753</u>
Total Deferred Outflows of Resources	<u>244,010</u>	<u>18,743</u>	<u>262,753</u>
<b>LIABILITIES</b>			
Accounts payable and accrued expenses	230,807	74,470	305,277
Due to other governmental units	478	-	478
Noncurrent Liabilities			
Due within one year	1,179,855	321,387	1,501,242
Due in more than one year	<u>13,182,445</u>	<u>2,856,963</u>	<u>16,039,408</u>
Total Liabilities	<u>14,593,585</u>	<u>3,252,820</u>	<u>17,846,405</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Unearned revenues	<u>3,256,690</u>	-	<u>3,256,690</u>
Total Deferred Inflows of Resources	<u>3,256,690</u>	-	<u>3,256,690</u>
<b>NET POSITION</b>			
Net investment in capital assets (deficit)	(82,939)	2,429,226	1,863,809
Restricted for			
Pensions	496,957	36,679	533,636
Unrestricted (deficit)	<u>(2,760,950)</u>	<u>(154,673)</u>	<u>(2,433,145)</u>
<b>TOTAL NET POSITION (DEFICIT)</b>	<u>\$ (2,346,932)</u>	<u>\$ 2,311,232</u>	<u>\$ (35,700)</u>

See accompanying notes to financial statements.

# VILLAGE OF SHOREWOOD HILLS

## STATEMENT OF ACTIVITIES For the Year Ended December 31, 2015

<u>Functions/Programs</u>	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Governmental Activities</b>				
General government	\$ 865,226	\$ 20,359	\$ -	\$ -
Public safety	1,455,130	169,699	19,513	1,664
Public works	1,668,012	69,497	264,584	114,965
Culture, education and recreation	769,428	683,927	-	-
Conservation and development	21,476	-	4,929	-
Interest and fiscal charges	394,741	-	23,525	-
Total Governmental Activities	<u>5,174,013</u>	<u>943,482</u>	<u>312,551</u>	<u>116,629</u>
<b>Business-type Activities</b>				
Water	414,093	413,625	9,028	-
Sewer	263,215	295,006	3,607	26,809
Stormwater	148,211	147,367	5,486	30,434
Total Business-type Activities	<u>825,519</u>	<u>855,998</u>	<u>18,121</u>	<u>57,243</u>
Total	<u>\$ 5,999,532</u>	<u>\$ 1,799,480</u>	<u>\$ 330,672</u>	<u>\$ 173,872</u>

**General Revenues**

- Taxes
  - Property taxes, levied for general purposes
  - Property taxes, levied for TIF districts
  - Other taxes
- Intergovernmental revenues not restricted to specific programs
- Public gifts and grants
- Investment income
- Gain on disposal of assets
- Miscellaneous
- Special item - remaining value of old capital lease
- Transfers

Total General Revenues, Special Item and Transfers

**Change in net position**

NET POSITION (Deficit) - Beginning of Year (as restated)

**NET POSITION (DEFICIT) - END OF YEAR**

Net (Expenses) Revenues and Changes in Net Position

<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Totals</u>
\$ (844,867)	\$ -	\$ (844,867)
(1,264,254)	-	(1,264,254)
(1,218,966)	-	(1,218,966)
(85,501)	-	(85,501)
(16,547)	-	(16,547)
<u>(371,216)</u>	<u>-</u>	<u>(371,216)</u>
<u>(3,801,351)</u>	<u>-</u>	<u>(3,801,351)</u>
-	8,560	8,560
-	62,207	62,207
-	<u>35,076</u>	<u>35,076</u>
-	<u>105,843</u>	<u>105,843</u>
<u>(3,801,351)</u>	<u>105,843</u>	<u>(3,695,508)</u>
2,524,709	-	2,524,709
595,345	-	595,345
1,436	-	1,436
77,505	-	77,505
12,830	-	12,830
4,987	-	4,987
7,598	-	7,598
282,891	-	282,891
(1,041,628)	-	(1,041,628)
<u>57,748</u>	<u>(57,748)</u>	<u>-</u>
<u>2,523,421</u>	<u>(57,748)</u>	<u>2,465,673</u>
(1,277,930)	48,095	(1,229,835)
<u>(1,069,002)</u>	<u>2,263,137</u>	<u>1,194,135</u>
<u>\$ (2,346,932)</u>	<u>\$ 2,311,232</u>	<u>\$ (35,700)</u>

See accompanying notes to financial statements.

## VILLAGE OF SHOREWOOD HILLS

### BALANCE SHEET GOVERNMENTAL FUNDS As of December 31, 2015

	General	Swimming Pool	Debt Service	Capital Improvement Fund
<b>ASSETS</b>				
Cash and investments	\$ 988,027	\$ 236,025	\$ 139,538	\$ 92,581
Receivables				
Taxes	2,549,307	-	-	-
Delinquent personal property taxes	14,705	-	-	-
Accounts	802	-	141,477	-
Advances to other funds	142,111	-	-	457,840
Prepaid items	27,126	-	-	-
	<u>\$ 3,722,078</u>	<u>\$ 236,025</u>	<u>\$ 281,015</u>	<u>\$ 550,421</u>
<b>TOTAL ASSETS</b>				
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>				
Liabilities				
Accounts payable	\$ 71,657	\$ 1,628	\$ -	\$ 33,727
Accrued liabilities	20,411	973	-	-
Due to other governments	350	-	-	-
Advances from other funds	-	-	-	-
Total Liabilities	<u>92,418</u>	<u>2,601</u>	<u>-</u>	<u>33,727</u>
Deferred Inflows of Resources				
Unearned revenues	2,549,307	-	-	-
Unavailable revenues	-	-	141,477	-
Total Deferred Inflows of Resources	<u>2,549,307</u>	<u>-</u>	<u>141,477</u>	<u>-</u>
Fund Balances				
Nonspendable	183,942	-	-	457,840
Restricted	-	-	139,538	44,220
Committed	-	233,424	-	-
Assigned	117,128	-	-	14,634
Unassigned (deficit)	779,283	-	-	-
Total Fund Balances (Deficit)	<u>1,080,353</u>	<u>233,424</u>	<u>139,538</u>	<u>516,694</u>
	<u>\$ 3,722,078</u>	<u>\$ 236,025</u>	<u>\$ 281,015</u>	<u>\$ 550,421</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>				

See accompanying notes to financial statements.

Tax Incremental District No. 3	Tax Incremental District No. 4	Nonmajor Governmental Fund - Waterfront	Totals
\$ 856,274	\$ -	\$ 43,862	\$ 2,356,307
466,663	240,720	-	3,256,690
-	-	-	14,705
-	-	50	142,329
-	-	-	599,951
-	-	-	27,126
<u>\$ 1,322,937</u>	<u>\$ 240,720</u>	<u>\$ 43,912</u>	<u>\$ 6,397,108</u>
\$ 6,281	\$ 1,100	\$ 77	\$ 114,470
302	302	196	22,184
-	-	128	478
-	142,111	-	142,111
<u>6,583</u>	<u>143,513</u>	<u>401</u>	<u>279,243</u>
466,663	240,720	-	3,256,690
-	-	-	141,477
<u>466,663</u>	<u>240,720</u>	<u>-</u>	<u>3,398,167</u>
-	-	-	641,782
849,691	-	-	1,033,449
-	-	43,511	276,935
-	-	-	131,762
-	(143,513)	-	635,770
<u>849,691</u>	<u>(143,513)</u>	<u>43,511</u>	<u>2,719,698</u>
<u>\$ 1,322,937</u>	<u>\$ 240,720</u>	<u>\$ 43,912</u>	<u>\$ 6,397,108</u>

See accompanying notes to financial statements.

## VILLAGE OF SHOREWOOD HILLS

### RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION As of December 31, 2015

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Total Fund Balances - Governmental Funds	\$ 2,719,698
--	--------------

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental funds are not financial resources and therefore are not reported in the funds.

Land	1,586,284
Land improvements	1,122,475
Buildings	2,504,540
Machinery and equipment	1,621,505
Infrastructure	4,896,725
Less: Accumulated depreciation	(2,971,943)

Some receivables that are not currently available are reported as unavailable revenues in the fund financial statements but are recognized as revenue when earned in the government-wide statements.

141,477

The net pension asset does not relate to current financial resources and is not reported in the governmental funds.

244,750

Deferred outflows of resources related to pensions do not relate to current financial resources and are not reported in the governmental funds.

244,010

Some liabilities, including long-term debt, are not due and payable in the current period and therefore, are not reported in the funds.

Bonds and notes payable	(13,916,650)
Compensated absences	(386,276)
Accrued interest	(94,153)
Village share of landfill district deficit	(59,374)

**NET POSITION OF GOVERNMENTAL ACTIVITIES**

\$ (2,346,932)

## VILLAGE OF SHOREWOOD HILLS

### STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS

For the Year Ended December 31, 2015

	General	Swimming Pool	Debt Service	Capital Improvement Fund
<b>REVENUES</b>				
Taxes	\$ 2,526,145	\$ -	\$ -	\$ -
Intergovernmental	369,091	1,509	-	-
Licenses and permits	126,156	-	-	-
Fines, forfeitures and penalties	87,568	-	-	-
Public charges for services	91,503	558,554	-	-
Investment income	4,987	-	-	-
Miscellaneous	240,193	4,974	-	-
Total Revenues	3,445,643	565,037	-	-
<b>EXPENDITURES</b>				
Current				
General government	641,083	-	-	-
Public safety	1,411,356	-	-	-
Public works	466,953	-	-	-
Culture, recreation and education	226,074	433,591	-	-
Conservation and development	23,688	-	-	-
Capital Outlay	48,493	11,150	-	1,131,161
Debt Service				
Principal	-	-	564,781	-
Interest and fiscal charges	-	-	221,937	45,375
Total Expenditures	2,817,647	444,741	786,718	1,176,536
Excess (deficiency) of revenues over expenditures	627,996	120,296	(786,718)	(1,176,536)
<b>OTHER FINANCING SOURCES (USES)</b>				
General obligation debt issued	-	-	-	1,190,000
Premium on debt issued	-	-	62,924	-
Transfers in	57,748	-	863,332	-
Transfers out	(749,210)	(114,122)	-	-
Total Other Financing Sources (Uses)	(691,462)	(114,122)	926,256	1,190,000
<b>Net Change in Fund Balances</b>	(63,466)	6,174	139,538	13,464
FUND BALANCES (DEFICIT) - Beginning of Year	1,143,819	227,250	-	503,230
<b>FUND BALANCES (DEFICIT) - END OF YEAR</b>	\$ 1,080,353	\$ 233,424	\$ 139,538	\$ 516,694

See accompanying notes to financial statements.

Tax Incremental District No. 3	Tax Incremental District No. 4	Nonmajor Governmental Fund - Waterfront	Totals
\$ 469,540	\$ 125,805	\$ -	\$ 3,121,490
135,887	198	-	506,685
-	-	-	126,156
-	-	-	87,568
-	-	67,880	717,937
-	-	-	4,987
<u>16,116</u>	<u>26,731</u>	<u>673</u>	<u>288,687</u>
<u>621,543</u>	<u>152,734</u>	<u>68,553</u>	<u>4,853,510</u>
-	-	-	641,083
-	-	-	1,411,356
-	-	-	466,953
-	-	60,447	720,112
-	-	-	23,688
120,539	42,132	-	1,353,475
280,222	54,473	-	899,476
<u>143,970</u>	<u>26,916</u>	<u>-</u>	<u>438,198</u>
<u>544,731</u>	<u>123,521</u>	<u>60,447</u>	<u>5,954,341</u>
<u>76,812</u>	<u>29,213</u>	<u>8,106</u>	<u>(1,100,831)</u>
753,214	101,786	-	2,045,000
-	-	-	62,924
-	-	-	921,080
<u>-</u>	<u>-</u>	<u>-</u>	<u>(863,332)</u>
<u>753,214</u>	<u>101,786</u>	<u>-</u>	<u>2,165,672</u>
830,026	130,999	8,106	1,064,841
<u>19,665</u>	<u>(274,512)</u>	<u>35,405</u>	<u>1,654,857</u>
<u>\$ 849,691</u>	<u>\$ (143,513)</u>	<u>\$ 43,511</u>	<u>\$ 2,719,698</u>

See accompanying notes to financial statements.

## VILLAGE OF SHOREWOOD HILLS

### RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES For the Year Ended December 31, 2015

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Net change in fund balances - total governmental funds	\$	1,064,841
<p>Amounts reported for governmental activities in the statement of activities are different because:</p>		
<p>Governmental funds report capital outlays as expenditures. However, in the statement of net position the cost of these assets is capitalized and they are depreciated over their estimated useful lives and reported as depreciation expense in the statement of activities.</p>		
Capital outlay is reported as an expenditure in the fund financial statements but is capitalized in the government-wide financial statements		1,353,475
Some items reported as capital outlay were not capitalized		(1,192,793)
Depreciation is reported in the government-wide financial statements		(300,716)
Net book value of assets retired		(30,299)
<p>Receivables not currently available are reported as revenue when collected or currently available in the fund financial statements but are recognized as revenue when earned in the government-wide financial statements.</p>		
		(1,015,116)
<p>Debt issued provides current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.</p>		
Debt issued		(2,045,000)
Principal repaid		899,476
<p>Some expenses in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.</p>		
Compensated absences		21,330
Accrued interest on debt		(19,467)
Net pension asset		(155,455)
Deferred outflows of resources related to pensions		147,258
Village share of landfill district deficit balance		(5,464)
		(1,277,930)
<b>CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES</b>	<b>\$</b>	<b>(1,277,930)</b>

## VILLAGE OF SHOREWOOD HILLS

### STATEMENT OF NET POSITION PROPRIETARY FUNDS As of December 31, 2015

	Business-type Activities - Enterprise Funds			
	Water Utility	Sewer Utility	Stormwater Utility	Totals
<b>ASSETS</b>				
Current Assets				
Cash and investments	\$ -	\$ -	\$ 182,498	\$ 182,498
Receivables				
Accounts	82,845	75,820	36,346	195,011
Total Current Assets	82,845	75,820	218,844	377,509
Noncurrent Assets				
Restricted Assets				
Construction	14,286	147,047	-	161,333
Net pension asset	8,222	6,086	3,756	18,064
Capital Assets				
Property and equipment	3,555,688	1,431,722	1,536,182	6,523,592
Less: Accumulated depreciation	(602,682)	(351,314)	(123,353)	(1,077,349)
Total Noncurrent Assets	2,975,514	1,233,541	1,416,585	5,625,640
Total Assets	3,058,359	1,309,361	1,635,429	6,003,149
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Pension related amounts	8,489	6,322	3,932	18,743
Total Deferred Outflows of Resources	8,489	6,322	3,932	18,743

See accompanying notes to financial statements.

	Business-type Activities - Enterprise Funds			
	Water Utility	Sewer Utility	Stormwater Utility	Totals
<b>LIABILITIES</b>				
Current Liabilities				
Accounts payable	\$ 14,787	\$ 35,777	\$ -	\$ 50,564
Accrued interest	10,641	5,365	5,816	21,822
Accrued wages	845	836	403	2,084
Current portion of general obligation debt	<u>156,387</u>	<u>80,000</u>	<u>85,000</u>	<u>321,387</u>
Total Current Liabilities	<u>182,660</u>	<u>121,978</u>	<u>91,219</u>	<u>395,857</u>
Noncurrent Liabilities				
Long-Term Debt				
General obligation debt	1,491,963	605,000	760,000	2,856,963
Advances from other funds	<u>381,046</u>	<u>76,794</u>	<u>-</u>	<u>457,840</u>
Total Noncurrent Liabilities	<u>1,873,009</u>	<u>681,794</u>	<u>760,000</u>	<u>3,314,803</u>
Total Liabilities	<u>2,055,669</u>	<u>803,772</u>	<u>851,219</u>	<u>3,710,660</u>
<b>NET POSITION</b>				
Net investment in capital assets	1,318,942	542,455	567,829	2,429,226
Restricted for				
Pensions	16,693	12,358	7,628	36,679
Unrestricted (deficit)	<u>(324,456)</u>	<u>(42,902)</u>	<u>212,685</u>	<u>(154,673)</u>
<b>TOTAL NET POSITION</b>	<u>\$ 1,011,179</u>	<u>\$ 511,911</u>	<u>\$ 788,142</u>	<u>\$ 2,311,232</u>

See accompanying notes to financial statements.

## VILLAGE OF SHOREWOOD HILLS

### STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION PROPRIETARY FUNDS For the Year Ended December 31, 2015

	Business-type Activities - Enterprise Funds			Totals
	Water Utility	Sewer Utility	Stormwater Utility	
<b>OPERATING REVENUES</b>				
Public charges for services	\$ 409,289	\$ 295,006	\$ 147,367	\$ 851,662
Other operating revenue	4,336	-	-	4,336
Total Operating Revenues	413,625	295,006	147,367	855,998
<b>OPERATING EXPENSES</b>				
Operation and maintenance	279,978	209,270	85,026	574,274
Depreciation	68,225	31,301	30,418	129,944
Taxes	2,793	-	-	2,793
Total Operating Expenses	350,996	240,571	115,444	707,011
Operating Income	62,629	54,435	31,923	148,987
<b>NONOPERATING REVENUES (EXPENSES)</b>				
Interest expense	(63,097)	(22,644)	(32,767)	(118,508)
Build America Bond subsidy	9,028	3,607	5,486	18,121
Total Nonoperating Revenues (Expenses)	(54,069)	(19,037)	(27,281)	(100,387)
Income (Loss) Before Contributions and Transfers	8,560	35,398	4,642	48,600
<b>CONTRIBUTIONS AND TRANSFERS</b>				
Capital paid in by municipality	-	26,809	30,434	57,243
Transfers out	(57,748)	-	-	(57,748)
Total Contributions and Transfers	(57,748)	26,809	30,434	(505)
<b>Change in Net Position</b>	(49,188)	62,207	35,076	48,095
NET POSITION - Beginning of Year (as restated)	1,060,367	449,704	753,066	2,263,137
<b>NET POSITION - END OF YEAR</b>	\$ 1,011,179	\$ 511,911	\$ 788,142	\$ 2,311,232

See accompanying notes to financial statements.

## VILLAGE OF SHOREWOOD HILLS

### STATEMENT OF CASH FLOWS PROPRIETARY FUNDS For the Year Ended December 31, 2015

	Business-type Activities - Enterprise Funds			
	Water Utility	Sewer Utility	Stormwater Utility	Totals
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Received from customers	\$ 326,597	\$ 301,917	\$ 149,127	\$ 777,641
Received from municipality for services	118,231	-	-	118,231
Paid to suppliers for goods and services	(240,986)	(170,197)	(34,360)	(445,543)
Paid to employees for services	(53,837)	(36,133)	(52,241)	(142,211)
Net Cash Flows From Operating Activities	150,005	95,587	62,526	308,118
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
Paid to municipality for tax equivalent	(57,748)	-	-	(57,748)
Receipt of advances from other funds	103,020	-	-	103,020
Repayment of cash overdraft	-	(13,053)	-	(13,053)
Net Cash Flows From Noncapital Financing Activities	45,272	(13,053)	-	32,219
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Debt issued	-	155,000	-	155,000
Debt retired	(140,524)	(65,000)	(75,000)	(280,524)
Interest paid	(65,351)	(21,141)	(33,169)	(119,661)
Acquisition and construction of capital assets	(58,281)	(8,930)	-	(67,211)
Build America Bond subsidy	9,028	3,607	5,486	18,121
Net Cash Flows From Capital and Related Financing Activities	(255,128)	63,536	(102,683)	(294,275)
<b>Net Change in Cash and Cash Equivalents</b>	(59,851)	146,070	(40,157)	46,062
CASH AND CASH EQUIVALENTS - Beginning of Year	74,137	977	222,655	297,769
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<u>\$ 14,286</u>	<u>\$ 147,047</u>	<u>\$ 182,498</u>	<u>\$ 343,831</u>

See accompanying notes to financial statements.

	Business-type Activities - Enterprise Funds			
	Water Utility	Sewer Utility	Stormwater Utility	Totals
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Operating income	\$ 62,629	\$ 54,435	\$ 31,923	\$ 148,987
Adjustments to Reconcile Operating Income to Net Cash Flows From Operating Activities				
Depreciation	68,225	31,301	30,418	129,944
Depreciation charged to other funds	4,127	-	-	4,127
Changes in assets and liabilities				
Accounts receivable	27,076	6,911	1,760	35,747
Accounts payable	(9,731)	4,066	-	(5,665)
Other current liabilities	(2,303)	(1,076)	(1,515)	(4,894)
Pension related deferrals and assets/liabilities	(18)	(50)	(60)	(128)
<b>NET CASH FLOWS FROM OPERATING ACTIVITIES</b>	<u>\$ 150,005</u>	<u>\$ 95,587</u>	<u>\$ 62,526</u>	<u>\$ 308,118</u>
<b>RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE STATEMENT OF NET POSITION - PROPRIETARY FUNDS</b>				
Cash and investments	\$ -	\$ -	\$ 182,498	\$ 182,498
Restricted cash and investments				
Construction account	<u>14,286</u>	<u>147,047</u>	<u>-</u>	<u>161,333</u>
<b>CASH AND CASH EQUIVALENTS</b>	<u>\$ 14,286</u>	<u>\$ 147,047</u>	<u>\$ 182,498</u>	<u>\$ 343,831</u>
<b>NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Interest charged to construction	<u>\$ 1,570</u>	<u>\$ 883</u>	<u>\$ -</u>	
Capital contributions from municipality	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 30,434</u>	

See accompanying notes to financial statements.

# VILLAGE OF SHOREWOOD HILLS

## STATEMENT OF ASSETS AND LIABILITIES AGENCY FUND

As of December 31, 2015

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	<u>Agency Fund</u>
<b>ASSETS</b>	
Cash and investments	\$ 4,157,868
Tax roll receivable	<u>4,495,193</u>
<b>TOTAL ASSETS</b>	<u>\$ 8,653,061</u>
<b>LIABILITIES</b>	
Due to other governments	<u>\$ 8,653,061</u>
<b>TOTAL LIABILITIES</b>	<u>\$ 8,653,061</u>

See accompanying notes to financial statements.

# VILLAGE OF SHOREWOOD HILLS

## INDEX TO NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

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# VILLAGE OF SHOREWOOD HILLS

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

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### **NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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The accounting policies of the Village of Shorewood Hills, Wisconsin conform to accounting principles generally accepted in the United States of America as applicable to governmental units. The accepted standard-setting body for establishing governmental accounting and financial reporting principles is the Governmental Accounting Standards Board (GASB).

#### **A. REPORTING ENTITY**

This report includes all of the funds of the village. The reporting entity for the village consists of the primary government and its component units. Component units are legally separate organizations for which the primary government is financially accountable or other organizations for which the nature and significance of their relationship with the primary government are such that their exclusion would cause the reporting entity's financial statements to be misleading. The village has not identified any organizations that meet this criteria.

#### **B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS**

In June 2012, the GASB issued statement No. 68 - *Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27*. This statement establishes standards for measuring and recognizing assets, liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures related to pensions. In November 2013, the GASB issued statement No. 71 - *Pension Transition for Contributions Made Subsequent to the Measurement Date - an amendment of GASB Statement No. 68*. This statement addresses an issue regarding application of the transition provisions of Statement No. 68. These standards were implemented January 1, 2015.

#### **Government-Wide Financial Statements**

The statement of net position and statement of activities display information about the reporting government as a whole. They include all funds of the reporting entity except for fiduciary funds. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. The village does not allocate indirect expenses to functions in the statement of activities. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not included among program revenues are reported as general revenues. Internally dedicated resources are reported as general revenues rather than as program revenues.

# VILLAGE OF SHOREWOOD HILLS

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2015

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## NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

---

### ***B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (cont.)***

#### ***Fund Financial Statements***

Financial statements of the village are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts, which constitute its assets, deferred outflows of resources, liabilities, deferred inflows of resources, net position/fund balance, revenues, and expenditures/expenses.

Funds are organized as major funds or nonmajor funds within the governmental and proprietary statements. An emphasis is placed on major funds within the governmental and proprietary categories. A fund is considered major if it is the primary operating fund of the village or meets the following criteria:

- a. Total assets/deferred outflows of resources, liabilities/deferred inflows of resources, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10% of the corresponding total for all funds of that category or type, and
- b. The same element of the individual governmental or enterprise fund that met the 10% test is at least 5% of the corresponding total for all governmental and enterprise funds combined.
- c. In addition, any other governmental or enterprise fund that the village believes is particularly important to financial statement users may be reported as a major fund.

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

The village reports the following major governmental funds:

- General Fund - accounts for the village's primary operating activities. It is used to account for and report all financial resources except those accounted for and reported in another fund.
- Swimming Pool Special Revenue Fund - used to account for and report local revenues committed to supporting expenditures for the swimming pool program.
- Debt Service Fund - used to account for and report financial resources that are restricted, committed, or assigned to expenditure for the payment of general long-term debt principal, interest, and related costs, other than TID or enterprise debt.
- Capital Improvement Fund Capital Projects Fund - used to account for and report financial resources that are restricted, committed, or assigned to expenditures for capital outlays, including the acquisition or construction of capital facilities and other capital assets for the capital improvement program.
- Tax Incremental District (TID) No. 3 Capital Projects Fund - used to account for and report financial resources that are restricted, committed, or assigned to expenditures outlined in the TID project plan.

# VILLAGE OF SHOREWOOD HILLS

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2015

---

## NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

---

### ***B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (cont.)***

#### ***Fund Financial Statements (cont.)***

The village reports the following major governmental funds: (cont.)

Tax Incremental District (TID) No. 4 Capital Projects fund - used to account for and report financial resources that are restricted, committed, or assigned to expenditures outlined in the TID project plan.

The village reports the following major enterprise funds:

Water Utility - accounts for operations of the water system  
Sewer Utility - accounts for operations of the sewer system  
Stormwater Utility - accounts for operations of the stormwater system

The village reports the following nonmajor governmental fund:

Special Revenue Fund - used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes (other than debt service or capital projects).

Waterfront

In addition, the village reports the following fund type:

Agency Fund - used to account for and report assets held by the village in a trustee capacity or as an agent for individuals, private organizations, and/or other governmental units.

Tax Collection Fund

### ***C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION***

#### ***Government-Wide Financial Statements***

The government-wide statement of net position and statement of activities are reported using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Property taxes are recognized as revenues in the year for which they are levied. Taxes receivable for the following year are recorded as receivables and deferred inflows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider are met. Special assessments are recorded as revenue when earned. Unbilled receivables are recorded as revenues when services are provided.

# VILLAGE OF SHOREWOOD HILLS

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2015

---

## **NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)**

---

### ***C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION (cont.)***

#### ***Government-Wide Financial Statements (cont.)***

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the village's water and sewer and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

#### ***Fund Financial Statements***

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recorded when they are both measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For this purpose, the village considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are recorded when the related fund liability is incurred, except for unmatured interest on long-term debt, claims, judgments, compensated absences, and pension expenditures, which are recorded as a fund liability when expected to be paid with expendable available financial resources.

Property taxes are recorded in the year levied as receivables and deferred inflows. They are recognized as revenues in the succeeding year when services financed by the levy are being provided.

Intergovernmental aids and grants are recognized as revenues in the period the village is entitled the resources and the amounts are available. Amounts owed to the village which are not available are recorded as receivables and unavailable revenues. Amounts received before eligibility requirements (excluding time requirements) are met are recorded as liabilities. Amounts received in advance of meeting time requirements are recorded as deferred inflows.

Revenues susceptible to accrual include property taxes, miscellaneous taxes, public charges for services, special assessments and interest. Other general revenues such as fines and forfeitures, inspection fees, recreation fees, and miscellaneous revenues are recognized when received in cash or when measurable and available under the criteria described above.

Proprietary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as described previously in this note. Agency funds follow the accrual basis of accounting, and do not have a measurement focus.

The proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the water, sewer, and stormwater utilities are charges to customers for sales and services. Special assessments are recorded as receivables and contribution revenue when levied. Operating expenses for proprietary funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

# VILLAGE OF SHOREWOOD HILLS

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2015

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## **NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)**

---

### ***C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION (cont.)***

#### ***All Financial Statements***

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities, and deferred inflows of resources and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

### ***D. ASSETS, LIABILITIES, AND NET POSITION OR EQUITY***

#### ***1. Deposits and Investments***

For purposes of the statement of cash flows, the village considers all highly liquid investments with an initial maturity of three months or less when acquired to be cash equivalents.

Investment of village funds is restricted by Wisconsin state statutes. Available investments are limited to:

- a. Time deposits in any credit union, bank, savings bank or trust company maturing in three years or less.
- b. Bonds or securities of any county, city, drainage district, technical college district, village, town, or school district of the state. Also, bonds issued by a local exposition district, a local professional baseball park district, a local professional football stadium district, a local cultural arts district, the University of Wisconsin Hospitals and Clinics Authority, or the Wisconsin Aerospace Authority.
- c. Bonds or securities issued or guaranteed by the federal government.
- d. The local government investment pool.
- e. Any security maturing in seven years or less and having the highest or second highest rating category of a nationally recognized rating agency.
- f. Securities of an open-end management investment company or investment trust, subject to various conditions and investment options.
- g. Repurchase agreements with public depositories, with certain conditions.

The village has adopted an investment policy. That policy follows the state statute for allowable investments. To address custodial credit risk, it is the village's policy that investment amounts are limited to the maximum of state guarantee fund and FDIC insurance limits for each institution unless collateralized. To address credit risk, the village does not invest in stocks, corporate bonds, futures, or derivatives and has limited deposits and investments of village funds to those that meet the policy's objective of safety, meaning deposits and investments shall be undertaken in a manner that seeks to ensure the preservation of principal and to minimize credit risk.

# VILLAGE OF SHOREWOOD HILLS

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2015

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## NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

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### *D. ASSETS, LIABILITIES, AND NET POSITION OR EQUITY (cont.)*

#### *1. Deposits and Investments (cont.)*

Investments are stated at fair value, which is the amount at which an investment could be exchanged in a current transaction between willing parties. Fair values are based on quoted market prices. No investments are reported at amortized cost. Adjustments necessary to record investments at fair value are recorded in the operating statement as increases or decreases in investment income. Investment income on commingled investments of municipal accounting funds is allocated based on average balances. The difference between the bank statement balance and carrying value is due to outstanding checks and/or deposits in transit.

The Wisconsin Local Government Investment Pool (LGIP) is part of the State Investment Fund (SIF), and is managed by the State of Wisconsin Investment Board. The SIF is not registered with the Securities and Exchange Commission, but operates under the statutory authority of Wisconsin Chapter 25. The SIF reports the fair value of its underlying assets annually. Participants in the LGIP have the right to withdraw their funds in total on one day's notice. At December 31, 2015, the fair value of the village's share of the LGIP's assets was substantially equal to the amount as reported in these statements.

See Note III. A. for further information.

#### *2. Receivables*

Property taxes are levied in December on the assessed value as of the prior January 1. In addition to property taxes for the village, taxes are collected for and remitted to the state and county governments as well as the local school district and technical college district. Taxes for all state and local governmental units billed in the current year for the succeeding year are reflected as receivables and due to other taxing units on the accompanying statement of assets and liabilities - agency fund.

Property tax calendar - 2015 tax roll:

Lien date and levy date	December 2015
Tax bills mailed	December 2015
Payment in full, or	January 31, 2016
First installment due	January 31, 2016
Second installment due	July 31, 2016
Personal property taxes in full	January 31, 2016
Tax sale - 2015 delinquent real estate taxes	October 2018

Accounts receivable have been shown net of an allowance for uncollectible accounts. Delinquent real estate taxes as of July 31 are paid in full by the county, which assumes the collection thereof. No provision for uncollectible accounts receivable has been made for the water and sewer utilities because they have the right by law to place substantially all delinquent bills on the tax roll, and other delinquent bills are generally not significant.

# VILLAGE OF SHOREWOOD HILLS

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2015

---

## **NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)**

---

### ***D. ASSETS, LIABILITIES, AND NET POSITION OR EQUITY (cont.)***

#### ***2. Receivables (cont.)***

During the course of operations, transactions occur between individual funds that may result in amounts owed between funds. Short-term interfund loans are reported as "due to and from other funds." Long-term interfund loans (noncurrent portion) are reported as "advances from and to other funds." Interfund receivables and payables between funds within governmental activities are eliminated in the statement of net position. Any residual balances outstanding between the governmental activities and business-type activities are reported in the governmental-wide financial statements as internal balances.

In the governmental fund financial statements, advances to other funds are offset equally by a nonspendable fund balance account which indicates that they do not constitute expendable available financial resources and, therefore, are not available for appropriation or by a restricted fund balance account, if the funds will ultimately be restricted when the advance is repaid.

#### ***3. Prepaid Items***

Governmental fund inventory items are charged to expenditure accounts when purchased. Year-end inventory was not significant. Proprietary fund inventories are generally used for construction and/or for operation and maintenance work. They are not for resale.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

#### ***4. Restricted Assets***

Mandatory segregations of assets are presented as restricted assets. Such segregations are required by bond agreements and other external parties. Current liabilities payable from these restricted assets are so classified. The excess of restricted assets over current liabilities payable from restricted assets will be used first for retirement of related long-term debt. The remainder, if generated from earnings, is shown as restricted net position.

#### ***5. Capital Assets***

##### ***Government-Wide Statements***

Capital assets, which include property, plant and equipment, are reported in the government-wide financial statements. Capital assets are defined by the government as assets with an initial cost of more than \$5,000 for general capital assets and \$25,000 for infrastructure assets, and an estimated useful life in excess of one year. All capital assets are valued at historical cost, or estimated historical cost if actual amounts are unavailable. Donated capital assets are recorded at their estimated fair value at the date of donation.

# VILLAGE OF SHOREWOOD HILLS

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2015

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## NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

---

### *D. ASSETS, LIABILITIES, AND NET POSITION OR EQUITY (cont.)*

#### *5. Capital Assets (cont.)*

##### *Government-Wide Statements (cont.)*

Additions to and replacements of capital assets of business-type activities are recorded at original cost, which includes material, labor, overhead, and an allowance for the cost of funds used during construction when significant. For tax-exempt debt, the amount of interest capitalized equals the interest expense incurred during construction netted against any interest revenue from temporary investment of borrowed fund proceeds. \$2,454 of net interest was capitalized during the current year. The cost of renewals and betterments relating to retirement units is added to plant accounts. The cost of property replaced, retired or otherwise disposed of, is deducted from plant accounts and, generally, together with removal costs less salvage, is charged to accumulated depreciation.

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the statement of activities, with accumulated depreciation reflected in the statement of net position. Depreciation is provided over the assets' estimated useful lives using the straight-line method. The range of estimated useful lives by type of asset is as follows:

Buildings	10-40	Years
Land Improvements	10-20	Years
Machinery and Equipment	5-25	Years
Utility System	40-100	Years
Infrastructure	50	Years

##### *Fund Financial Statements*

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Capital assets used in proprietary fund operations are accounted for the same way as in the government-wide statements.

#### *6. Deferred Outflows of Resources*

A deferred outflow of resources represents a consumption of net position/fund balance that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until that future time.

#### *7. Compensated Absences*

Under terms of employment, employees are granted sick leave and vacations in varying amounts. Only benefits considered to be vested are disclosed in these statements.

# VILLAGE OF SHOREWOOD HILLS

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2015

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## **NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)**

---

### ***D. ASSETS, LIABILITIES, AND NET POSITION OR EQUITY (cont.)***

#### ***7. Compensated Absences (cont.)***

All vested vacation and sick leave pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements, and are payable with expendable resources.

The village provides postemployment health insurance benefits for all eligible employees. Eligibility is based on retirement from the village. The benefits are based on contractual agreements with employee groups, local ordinances, or employee benefit policies. Employees may convert 100% of accumulated sick leave to pay for health care premiums. The cost of those premiums is recognized as an expenditure as the premiums are paid. The entire cost is paid by the village. Funding for those costs is provided out of the current operating budget of the village. The contributions are financed on a pay as you go basis. Total expenditures for such premiums during the year were not material. The number of participants currently eligible to receive benefits is three. The total amount outstanding at year end to be paid in the future is \$79,687 and is included in the government-wide statement of net position.

Payments for vacation and sick leave will be made at rates in effect when the benefits are used. Accumulated vacation and sick leave liabilities at December 31, 2015, are determined on the basis of current salary rates and include salary related payments.

#### ***8. Long-Term Obligations***

All long-term obligations to be repaid from governmental and business-type resources are reported as liabilities in the government-wide statements. The long-term obligations consist primarily of notes and bonds payable and accrued compensated absences.

Long-term obligations for governmental funds are not reported as liabilities in the fund financial statements. The face value of debts (plus any premiums) are reported as other financing sources and payments of principal and interest are reported as expenditures. The accounting in proprietary funds is the same as it is in the government-wide statements.

#### ***9. Deferred Inflows of Resources***

A deferred inflow of resources represents an acquisition of net position/fund balance that applies to a future period and therefore will not be recognized as an inflow of resources (revenue) until that future time.

# VILLAGE OF SHOREWOOD HILLS

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2015

## **NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)**

### ***D. ASSETS, LIABILITIES, AND NET POSITION OR EQUITY (cont.)***

#### **10. Equity Classifications**

##### ***Government-Wide Statements***

Equity is classified as net position and displayed in three components:

- a. Net investment in capital assets - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances (excluding unspent debt proceeds) of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net position - Consists of net position with constraints placed on their use either by 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or, 2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position - All other net positions that do not meet the definitions of "restricted" or "net investment in capital assets."

The net position section includes an adjustment for capital assets owned by the business-type activities column, but financed by the debt of the governmental activities column. The amount is a reduction of "net investment in capital assets", and an increase in "unrestricted" net position, shown only in the total column. A reconciliation of this adjustment is as follows:

	Governmental Activities	Business-type Activities	Adjustment	Total
Net investment in capital assets	\$ (82,939)	\$ 2,429,226	\$ (482,478)	\$ 1,863,809
Unrestricted	(2,760,950)	(154,673)	482,478	(2,433,145)

When both restricted and unrestricted resources are available for use, it is the village's policy to use restricted resources first, then unrestricted resources as they are needed.

##### ***Fund Statements***

Governmental fund balances are displayed as follows:

- a. Nonspendable - Includes fund balance amounts that cannot be spent either because they are not in spendable form or because legal or contractual requirements require them to be maintained intact.
- b. Restricted - Consists of fund balances with constraints placed on their use either by 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or 2) law through constitutional provisions or enabling legislation.

# VILLAGE OF SHOREWOOD HILLS

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2015

---

## **NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)**

---

### ***D. ASSETS, LIABILITIES, AND NET POSITION OR EQUITY (cont.)***

#### ***10. Equity Classifications (cont.)***

##### ***Fund Statements (cont.)***

- c. Committed - Includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision making authority. Fund balance amounts are committed through a formal action (resolution) of the Village Board. This formal action must occur prior to the end of the reporting period, but the amount of the commitment, which will be subject to the constraints, may be determined in the subsequent period. Any changes to the constraints imposed require the same formal action of the Village Board that originally created the commitment.
- d. Assigned - Includes spendable fund balance amounts that are intended to be used for specific purposes that do not meet the criteria to be classified as restricted or committed. The Village Board has, by resolution, adopted a financial policy authorizing the Board to assign amounts for a specific purpose. Assignments may take place after the end of the reporting period.
- e. Unassigned - Includes residual positive fund balance within the general fund which has not been classified within the other above mentioned categories. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed, or assigned for those purposes.

Proprietary fund equity is classified the same as in the government-wide statements.

The village considers restricted amounts to be spent first when both restricted and unrestricted fund balance is available unless there are legal documents / contracts that prohibit doing this, such as in grant agreements requiring dollar for dollar spending. Additionally, the village would first use committed, then assigned and lastly unassigned amounts of unrestricted fund balance when expenditures are made.

The village has a formal minimum fund balance policy. That policy is to maintain a working capital fund of 15% of the general fund annual expenditure budget. The balance at year end was \$779,283, or 28%, and is included in unassigned general fund balance.

See Note III. H. for further information.

# VILLAGE OF SHOREWOOD HILLS

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2015

---

## NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

---

### *D. ASSETS, LIABILITIES, AND NET POSITION OR EQUITY (cont.)*

#### **11. Basis for Existing Rates**

##### ***Water Utility***

Current water rates were approved by the Public Service Commission of Wisconsin on September 30, 2011.

##### ***Sewer Utility***

Current sewer rates were approved by the Village Board on April 1, 2011.

##### ***Stormwater Utility***

Current stormwater rates were approved by the Village Board on September 17, 2007.

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## NOTE II - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

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### **A. DEFICIT BALANCES**

Generally accepted accounting principles require disclosure of individual funds that have deficit balances at year end.

As of December 31, 2015, the following individual funds held a deficit balance:

<u>Fund</u>	<u>Amount</u>	<u>Reason</u>
TID No. 4	\$ 143,513	Increments and other financing sources not sufficient to cover expenditures

TIF district deficits are anticipated to be funded with future incremental taxes levied over the life of the districts, which is 27 years for the districts created before October 1, 1995, and 23 years for districts created thereafter through September 30, 2004. Beginning October 1, 2004, the life of new districts varies by type of district (20-27 years) and may be extended in some cases.

# VILLAGE OF SHOREWOOD HILLS

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2015

## **NOTE II - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (cont.)**

### ***B. LIMITATIONS ON THE VILLAGE'S TAX LEVY***

Wisconsin law limits the village's future tax levies. Generally the village is limited to its prior tax levy dollar amount (excluding TIF Districts), increased by the greater of the percentage change in the village's equalized value due to new construction or zero percent. Changes in debt service from one year to the next are generally exempt from this limit with certain exceptions. The village is required to reduce its allowable levy by the estimated amount of fee revenue it collects for certain services, if those services were funded in 2013 by the property tax levy. Levies can be increased above the allowable limits if the amount is approved by referendum.

## **NOTE III - DETAILED NOTES ON ALL FUNDS**

### ***A. DEPOSITS AND INVESTMENTS***

The village's deposits and investments at year end were comprised of the following:

	Carrying Value	Statement Balances	Associated Risks
Deposits	\$ 5,466,592	\$ 5,507,821	Custodial credit
LGIP	1,391,204	1,391,204	Credit
Petty cash	210	-	N/A
 Total Deposits and Investments	 \$ 6,858,006	 \$ 6,899,025	
 Reconciliation to financial statements			
Per statement of net position			
Unrestricted cash and investments	\$ 2,538,805		
Restricted cash and investments	161,333		
Per statement of assets and liabilities -			
agency fund			
Agency Fund	4,157,868		
 Total Deposits and Investments	 \$ 6,858,006		

Deposits in each local and area bank are insured by the FDIC in the amount of \$250,000 for time and savings accounts (including NOW accounts) and \$250,000 for demand deposit accounts (interest-bearing and noninterest-bearing). In addition, if deposits are held in an institution outside of the state in which the government is located, insured amounts are further limited to a total of \$250,000 for the combined amount of all deposit accounts.

Bank accounts are also insured by the State Deposit Guarantee Fund in the amount of \$400,000. However, due to the nature of this fund, recovery of material principal losses may not be significant to individual municipalities. This coverage has been considered in computing custodial credit risk.

# VILLAGE OF SHOREWOOD HILLS

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2015

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## NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

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### A. DEPOSITS AND INVESTMENTS (cont.)

#### *Custodial Credit Risk*

##### Deposits

Custodial credit risk is the risk that in the event of a financial institution failure, the village's deposits may not be returned to the village.

The village does not have any deposits exposed to custodial credit risk.

#### *Credit Risk*

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations.

The village had investments in the external Wisconsin Local Government Investment Pool which is not rated.

See Note I.D.1. for further information on deposit and investment policies.

### B. RECEIVABLES

Receivables as of year end for the government's individual major funds and nonmajor and fiduciary funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	<u>General Fund</u>
Receivables	
Taxes	\$ 2,549,307
Accounts	802
Delinquent personal property taxes	14,705
Ambulance	<u>92,099</u>
Gross receivables	2,656,913
Less: Allowance for uncollectibles	<u>(92,099)</u>
Net Total Receivables	<u>\$ 2,564,814</u>
Amounts not expected to be collected within one year	<u>\$ 14,705</u>

# VILLAGE OF SHOREWOOD HILLS

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2015

## NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

### **B. RECEIVABLES** (cont.)

Governmental funds report *unavailable or unearned revenue* in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Property taxes levied for the subsequent year are not earned and cannot be used to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of *unavailable revenue* and *unearned revenue* reported in the governmental funds were as follows:

	<u>Unearned</u>	<u>Unavailable</u>
Property taxes receivable for subsequent year	\$ 3,256,690	\$ -
Receivable not collected in period of availability	-	141,477
Total Unearned/Unavailable Revenue for Governmental Funds	<u>\$ 3,256,690</u>	<u>\$ 141,477</u>

### **C. RESTRICTED ASSETS**

The following represent the balances of the restricted assets:

#### ***Long-Term Debt Accounts***

Construction - Used to report proceeds of revenue bond issuances that are restricted for use in construction.

#### ***Net Pension Asset***

Restricted assets have been reported in connection with the net pension asset balance since this balance must be used to fund employee benefits.

Following is a list of restricted assets at December 31, 2015:

	<u>Restricted Assets</u>
Construction account	\$ 161,333
Net pension asset	262,814
Total	<u>\$ 424,147</u>

## VILLAGE OF SHOREWOOD HILLS

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2015

### NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

#### D. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2015, was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
<b>Governmental Activities</b>				
Capital assets not being depreciated				
Land	\$ 1,586,284	\$ -	\$ -	\$ 1,586,284
Total Capital Assets Not Being Depreciated	1,586,284	-	-	1,586,284
Capital assets being depreciated				
Land improvements	1,122,475	-	-	1,122,475
Buildings	2,482,240	22,300	-	2,504,540
Machinery and equipment	1,546,848	138,382	63,725	1,621,505
Infrastructure	4,896,725	-	-	4,896,725
Total Capital Assets Being Depreciated	10,048,288	160,682	63,725	10,145,245
Total Capital Assets	11,634,572	160,682	63,725	11,731,529
Less: Accumulated depreciation for				
Land improvements	(676,636)	(28,878)	-	(705,514)
Buildings	(892,376)	(60,333)	-	(952,709)
Machinery and equipment	(808,652)	(103,503)	33,426	(878,729)
Infrastructure	(326,989)	(108,002)	-	(434,991)
Total Accumulated Depreciation	(2,704,653)	(300,716)	33,426	(2,971,943)
Net Capital Assets Being Depreciated	7,343,635	(140,034)	30,299	7,173,302
Total Governmental Activities Capital Assets, Net of Accumulated Depreciation	\$ 8,929,919	\$ (140,034)	\$ 30,299	\$ 8,759,586

Depreciation expense was charged to functions as follows:

<b>Governmental Activities</b>	
General government	\$ 46,545
Public safety	30,158
Public works	174,922
Culture, education and recreation	49,091
Total Governmental Activities Depreciation Expense	\$ 300,716

## VILLAGE OF SHOREWOOD HILLS

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2015

### NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

#### D. CAPITAL ASSETS (cont.)

##### Business-type Activities

	Beginning Balance	Additions	Deletions	Ending Balance
<u>Water</u>				
Capital assets not being depreciated				
Land and land rights	\$ 11,512	\$ -	\$ -	\$ 11,512
Total Capital Assets Not Being Depreciated	11,512	-	-	11,512
Capital assets being depreciated				
Pumping	302,983	-	-	302,983
Transmission and distribution	3,154,943	59,851	6,663	3,208,131
General	33,062	-	-	33,062
Total Capital Assets Being Depreciated	3,490,988	59,851	6,663	3,544,176
Total Capital Assets	3,502,500	59,851	6,663	3,555,688
Less: Accumulated depreciation for				
Water utility plant	(536,993)	(72,352)	6,663	(602,682)
Total Accumulated Depreciation	(536,993)	(72,352)	6,663	(602,682)
Net Capital Assets Being Depreciated	2,953,995	(12,501)	-	2,941,494
Net Water Capital Assets	\$ 2,965,507	\$ (12,501)	\$ -	\$ 2,953,006

## VILLAGE OF SHOREWOOD HILLS

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2015

### NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

#### D. CAPITAL ASSETS (cont.)

##### Business-type Activities (cont.)

	Beginning Balance	Additions	Deletions	Ending Balance
<u>Sewer</u>				
Capital assets not being depreciated				
Construction in progress	\$ -	\$ 8,930	\$ -	\$ 8,930
Total Capital Assets Not Being Depreciated	-	8,930	-	8,930
Capital assets being depreciated				
Collection system	1,008,660	26,809	1,550	1,033,919
Collection system pumping	80,707	-	-	80,707
Treatment and disposal	233,373	-	-	233,373
General	74,793	-	-	74,793
Total Capital Assets Being Depreciated	1,397,533	26,809	1,550	1,422,792
Total Capital Assets	1,397,533	35,739	1,550	1,431,722
Less: Accumulated depreciation for				
Sewer utility plant	(321,563)	(31,301)	1,550	(351,314)
Total Accumulated Depreciation	(321,563)	(31,301)	1,550	(351,314)
Net Capital Assets Being Depreciated	1,075,970	(4,492)	-	1,071,478
Net Sewer Capital Assets	\$ 1,075,970	\$ 4,438	\$ -	\$ 1,080,408
 <u>Stormwater</u>				
Capital assets being depreciated				
Collection system	\$ 1,505,748	\$ 30,434	\$ -	\$ 1,536,182
Total Capital Assets Being Depreciated	1,505,748	30,434	-	1,536,182
Less: Accumulated depreciation for				
Collection system	(92,935)	(30,418)	-	(123,353)
Total Accumulated Depreciation	(92,935)	(30,418)	-	(123,353)
Net Capital Assets Being Depreciated	1,412,813	16	-	1,412,829
Net Stormwater Capital Assets	\$ 1,412,813	\$ 16	\$ -	\$ 1,412,829
Business-type Capital Assets, Net of Accumulated Depreciation	\$ 5,454,290	\$ (8,047)	\$ -	\$ 5,446,243

**VILLAGE OF SHOREWOOD HILLS**

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2015

**NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)**

**D. CAPITAL ASSETS (cont.)**

Depreciation expense was charged to functions as follows:

**Business-type Activities**

Water	\$	68,225
Sewer		31,301
Storm		<u>30,418</u>
Total Business-type Activities Depreciation Expense		<u><u>\$ 129,944</u></u>

Depreciation expense may be different from business-type activity accumulated depreciation additions because of joint metering, salvage, cost of removal, internal allocations, or costs associated with the disposal of assets.

**E. INTERFUND ADVANCES AND TRANSFERS**

**Advances**

The general fund is advancing funds to Tax Incremental District No. 4. The amount advanced is determined by the deficiency of revenues over expenditures and other financing sources since the district's inception. No interest is being charged and no repayment schedule has been established.

The capital improvements fund is advancing funds to the water and sewer utilities. The purpose of the advances is to finance negative cash balances. No interest is being charged and no repayment schedule has been established.

The following is a schedule of interfund advances:

Receivable Fund	Payable Fund	Amount	Amount Not Due Within One Year
General fund	TID No. 4	\$ 142,111	\$ 142,111
Capital improvement fund	Water Utility	381,046	381,046
Capital improvement fund	Sewer Utility	<u>76,794</u>	76,794
Total - Fund Financial Statements		599,951	
Less: Fund eliminations		<u>(142,111)</u>	
Total - Interfund Balances - Government-Wide Statement of Net Position		<u><u>\$ 457,840</u></u>	

# VILLAGE OF SHOREWOOD HILLS

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2015

## NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

### E. INTERFUND ADVANCES AND TRANSFERS (cont.)

#### Transfers

The following is a schedule of interfund transfers:

Fund Transferred To	Fund Transferred From	Amount	Principal Purpose
General fund	Water utility	\$ 57,748	Tax equivalent
Debt service fund	General fund	749,210	Debt service
Debt service fund	Swimming pool fund	<u>114,122</u>	Debt service
Total - Fund Financial Statements		921,080	
Less: Fund eliminations		<u>(863,332)</u>	
Total Transfers - Government-Wide Statement of Activities		<u><u>\$ 57,748</u></u>	

Generally, transfers are used to (1) move revenues from the fund that collects them to the fund that the budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund, and (3) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

### F. LONG-TERM OBLIGATIONS

Long-term obligations activity for the year ended December 31, 2015, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
<b>Governmental Activities</b>					
Bonds and Notes Payable					
General obligation debt	\$ 12,771,126	\$ 2,045,000	\$ 899,476	\$ 13,916,650	\$ 1,093,613
Sub-totals	<u>12,771,126</u>	<u>2,045,000</u>	<u>899,476</u>	<u>13,916,650</u>	<u>1,093,613</u>
Other Liabilities					
Vested compensated absences	407,606	-	21,330	386,276	86,242
Village share of landfill deficit	53,910	5,464	-	59,374	-
Total Other Liabilities	<u>461,516</u>	<u>5,464</u>	<u>21,330</u>	<u>445,650</u>	<u>86,242</u>
Total Governmental Activities Long-Term Liabilities	<u>\$ 13,232,642</u>	<u>\$ 2,050,464</u>	<u>\$ 920,806</u>	<u>\$ 14,362,300</u>	<u>\$ 1,179,855</u>

# VILLAGE OF SHOREWOOD HILLS

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

### NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

#### F. LONG-TERM OBLIGATIONS (cont.)

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
<b>Business-type Activities</b>					
Bonds and Notes Payable					
General obligation debt	\$ 3,303,874	\$ 155,000	\$ 280,524	\$ 3,178,350	\$ 321,387
Sub-totals	3,303,874	155,000	280,524	3,178,350	321,387
Total Business-type Activities Long-Term Liabilities	\$ 3,303,874	\$ 155,000	\$ 280,524	\$ 3,178,350	\$ 321,387

In accordance with Wisconsin Statutes, total general obligation indebtedness of the village may not exceed 5% of the equalized value of taxable property within the village's jurisdiction. The debt limit as of December 31, 2015, was \$27,482,570. Total general obligation debt outstanding at year end was \$17,095,000.

#### **General Obligation Debt**

All general obligation notes and bonds payable are backed by the full faith and credit of the village. Notes and bonds in the governmental funds will be retired by future property tax levies or tax increments accumulated by the debt service fund. Business-type activities debt is payable by revenues from user fees of those funds or, if the revenues are not sufficient, by future tax levies.

#### **Governmental Activities**

General Obligation Debt	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	Balance December 31, 2015
G.O. promissory notes G.O. corp purpose bonds	05/06/09	11/01/18	2.00 - 3.25	\$ 1,265,000	\$ 720,000
Taxable G.O. corp purpose bonds	05/06/09	11/01/24	2.00 - 4.00	2,995,000	2,860,000
G.O. corp purpose bonds	07/12/10	05/01/30	1.10 - 5.50	1,975,000	1,545,000
Taxable G.O. corp purpose bonds	05/16/12	03/01/27	2.00 - 2.50	2,605,000	1,575,000
G.O. refunding bonds	06/10/13	05/01/30	2.00 - 3.55	3,155,000	2,870,000
G.O. promissory notes	08/05/13	05/01/33	2.00 - 4.00	2,500,000	2,301,650
	06/08/15	05/01/25	1.50 - 2.50	2,045,000	2,045,000
Total Governmental Activities - General Obligation Debt					\$ 13,916,650

# VILLAGE OF SHOREWOOD HILLS

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2015

## NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

### F. LONG-TERM OBLIGATIONS (cont.)

#### General Obligation Debt (cont.)

#### Business-type Activities

General Obligation Debt	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	Balance December 31, 2015
G.O. promissory notes	05/06/09	11/01/18	2.00 - 3.25	\$ 1,040,000	\$ 390,000
G.O. corp purpose bonds	05/06/09	11/01/24	2.00 - 4.00	1,225,000	835,000
Taxable G.O. corp purpose bonds	07/12/10	05/01/30	1.10 - 5.50	1,425,000	1,155,000
G.O. corp. purpose bonds	05/16/12	03/01/27	2.00 - 2.50	145,000	120,000
G.O. refunding bonds	08/05/13	05/01/33	2.00 - 4.00	560,000	523,350
G.O. promissory notes	06/08/15	05/01/25	1.50 - 2.50	155,000	<u>155,000</u>
Total Business-type Activities - General Obligation Debt					<u>\$ 3,178,350</u>

Debt service requirements to maturity are as follows:

Years	Governmental Activities General Obligation Debt		Business-type Activities General Obligation Debt	
	Principal	Interest	Principal	Interest
2016	\$ 1,093,613	\$ 431,574	\$ 321,387	\$ 116,764
2017	1,100,942	389,018	314,058	106,218
2018	1,030,340	361,385	319,660	96,288
2019	1,058,272	332,083	191,728	87,804
2020	1,099,738	301,052	200,262	81,028
2021-2025	5,678,848	970,301	1,021,152	286,812
2026-2030	2,529,765	299,044	675,235	111,472
2031-2033	<u>325,132</u>	<u>19,649</u>	<u>134,868</u>	<u>8,151</u>
Totals	<u>\$ 13,916,650</u>	<u>\$ 3,104,106</u>	<u>\$ 3,178,350</u>	<u>\$ 894,537</u>

#### Other Debt Information

Estimated payments of compensated absences are not included in the debt service requirement schedules. The compensated absences liability attributable to governmental activities will be liquidated primarily by the general fund.

# VILLAGE OF SHOREWOOD HILLS

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2015

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## NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

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### **G. LEASE DISCLOSURES**

#### ***Lessor - Operating Leases***

The village is leasing real estate, including buildings and structures presently located thereon, to Blackhawk Country Club, Inc. for use as a golf course and country club. The land originally cost the village \$57,000. The clubhouse and additional structures were paid for by Blackhawk Country Club, Inc. but are subject to the provisions of the lease.

Base rent for the period January 1, 2015 through December 31, 2015 is \$100,000. Beginning January 1, 2016 and on January 1 of each lease year through and including January 1, 2024, base rent shall increase to an amount equal to the greater of (1) base rent for the immediately preceding year or (2) \$100,000 plus the product calculated by multiplying \$300 by net new members, as defined in the lease. On January 1, 2025, base rent shall increase to an amount equal to the greater of (1) base rent for the immediately preceding lease year or (2) inflation adjusted base rent, as defined in the lease. On January 1, 2026 and on January 1 of each lease year thereafter, including an extended term of the lease, base rent shall be modified by adjusting the base rent for the immediately preceding lease year by 100% of the post-2025 adjustment multiplier, as defined in the lease.

The lease term currently ends on December 31, 2034; however, the lease provides an option to extend the term of the lease for one additional ten year period ending December 31, 2044, subject to certain conditions provided in the lease.

### **H. NET POSITION/FUND BALANCES**

Net position reported on the government wide statement of net position at December 31, 2015, includes the following:

#### ***Governmental Activities***

Net Investment in Capital Assets	
Land	\$ 1,586,284
Other capital assets, net of accumulated depreciation	7,173,302
Less: Long-term debt outstanding	(13,916,650)
Plus: Unspent capital related debt proceeds	736,549
Plus: Noncapital debt proceeds	<u>4,337,576</u>
Total Net Investment in Capital Assets	<u>\$ (82,939)</u>

# VILLAGE OF SHOREWOOD HILLS

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

### NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

#### H. NET POSITION/FUND BALANCES (cont.)

##### Governmental Funds

Governmental fund balances reported on the fund financial statements at December 31, 2015, include the following:

	General Fund	Swimming Pool	Debt Service Fund	Capital Improvement Fund	Tax Incremental District No. 3	Tax Incremental District No. 4	Nonmajor Govern- mental Fund - Waterfront	Totals
<b>Fund Balances</b>								
<b>Nonspendable:</b>								
Prepaid items	\$ 27,126	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 27,126
Delinquent personal property taxes	14,705	-	-	-	-	-	-	14,705
Advances	142,111	-	-	457,840	-	-	-	599,951
<b>Restricted for:</b>								
TID purposes	-	-	-	-	849,691	-	-	849,691
Future capital projects	-	-	-	44,220	-	-	-	44,220
Debt service	-	-	139,538	-	-	-	-	139,538
<b>Committed to:</b>								
Future pool projects	-	233,424	-	-	-	-	-	233,424
Future marina projects	-	-	-	-	-	-	43,511	43,511
<b>Assigned to:</b>								
Land recreation	8,318	-	-	-	-	-	-	8,318
Tennis	8,757	-	-	-	-	-	-	8,757
Baseball	28	-	-	-	-	-	-	28
Indoor basketball	79	-	-	-	-	-	-	79
Outdoor basketball	1,726	-	-	-	-	-	-	1,726
Indoor soccer	68	-	-	-	-	-	-	68
Outdoor soccer	9,736	-	-	-	-	-	-	9,736
Applied to subsequent budget	52,705	-	-	-	-	-	-	52,705
Future capital projects	35,711	-	-	14,634	-	-	-	50,345
<b>Unassigned (deficit):</b>	<u>779,283</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(143,513)</u>	<u>-</u>	<u>635,770</u>
<b>Total Fund Balances (Deficit)</b>	<u>\$ 1,080,353</u>	<u>\$ 233,424</u>	<u>\$ 139,538</u>	<u>\$ 516,694</u>	<u>\$ 849,691</u>	<u>\$ (143,513)</u>	<u>\$ 43,511</u>	<u>\$ 2,719,698</u>

# VILLAGE OF SHOREWOOD HILLS

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2015

## NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

### H. NET POSITION/FUND BALANCES (cont.)

#### *Business-type Activities*

Net Investment in Capital Assets	
Land	\$ 11,512
Other capital assets, net of accumulated depreciation	5,434,731
Less: Long-term debt outstanding	(3,178,350)
Plus: Unspent capital related debt proceeds	<u>161,333</u>
 Total Net Investment in Capital Assets	 <u><u>\$ 2,429,226</u></u>

### I. RESTATEMENT OF NET POSITION

Net position has been restated as a result of the implementation of GASB Statement No. 68 - *Accounting and Financial Reporting for Pensions - an Amendment of GASB Statement No. 27* and implementation of GASB Statement No. 71 - *Pension Transition for Contributions Made Subsequent to the Measurement Date*. These statements require the net pension asset and related deferred outflows and deferred inflows, if any, to be reported in the financial statements. The details of this restatement are as follows:

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Water Utility</u>	<u>Sewer Utility</u>	<u>Stormwater Utility</u>
Net Position - December 31, 2014 (as reported)	\$ (1,565,959)	\$ 2,226,458	\$ 1,043,674	\$ 437,346	\$ 745,438
Add: Net pension asset	400,205	29,538	13,443	9,952	6,143
Add: Deferred outflows related to pensions	<u>96,752</u>	<u>7,141</u>	<u>3,250</u>	<u>2,406</u>	<u>1,485</u>
 Net Position - December 31, 2014 (as restated)	 <u><u>\$ (1,069,002)</u></u>	 <u><u>\$ 2,263,137</u></u>	 <u><u>\$ 1,060,367</u></u>	 <u><u>\$ 449,704</u></u>	 <u><u>\$ 753,066</u></u>

### J. SPECIAL ITEMS

During 2015, the village renegotiated its lease with Blackhawk Country Club, Inc. The resulting new lease is considered an operating lease under accounting principles generally accepted in the United States of America. As a result, the remaining value of the old lease was removed from the governmental activities and has been shown as a special item in the amount of \$1,041,628 on the statement of activities.

# VILLAGE OF SHOREWOOD HILLS

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2015

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## NOTE IV - OTHER INFORMATION

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### *A. EMPLOYEES' RETIREMENT SYSTEM*

#### **Summary of Significant Accounting Policies**

**Pension.** For purposes of measuring the net pension liability (asset), deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Wisconsin Retirement System (WRS) and additions to/deductions from WRS' fiduciary net position have been determined on the same basis as they are reported by WRS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

#### **General Information About the Pension Plan**

**Plan description.** The WRS is a cost-sharing multiple-employer defined benefit pension plan. WRS benefits and other plan provisions are established by Chapter 40 of the Wisconsin Statutes. Benefit terms may only be modified by the legislature. The retirement system is administered by the Wisconsin Department of Employee Trust Funds (ETF). The system provides coverage to all eligible State of Wisconsin, local government and other public employees. All employees, initially employed by a participating WRS employer on or after July 1, 2011, and expected to work at least 1200 hours a year and expected to be employed for at least one year from employee's date of hire are eligible to participate in the WRS.

**Vesting.** For employees beginning participation on or after January 1, 1990, and no longer actively employed on or after April 24, 1998, creditable service in each of five years is required for eligibility for a retirement annuity. Participants employed prior to 1990 and on or after April 24, 1998, and prior to July 1, 2011, are immediately vested. Participants who initially became WRS eligible on or after July 1, 2011, must have five years of creditable service to be vested.

**Benefits provided.** Employees who retire at or after age 65 (54 for protective occupation employees, 62 for elected officials and State executive participants) are entitled to receive an unreduced retirement benefit. The factors influencing the benefit are: (1) final average earnings, (2) years of creditable service, and (3) a formula factor.

Final average earnings is the average of the participant's three highest years' earnings. Creditable service is the creditable current and prior service expressed in years or decimal equivalents of partial years for which a participant receives earnings and makes contributions as required. The formula factor is a standard percentage based on employment category.

Employees may retire at age 55 (50 for protective occupation employees) and receive reduced benefits. Employees terminating covered employment before becoming eligible for a retirement benefit may withdraw their contributions and forfeit all rights to any subsequent benefits.

The WRS also provides death and disability benefits for employees.

# VILLAGE OF SHOREWOOD HILLS

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2015

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## NOTE IV - OTHER INFORMATION (cont.)

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### A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

**Post-retirement adjustments.** The Employee Trust Funds Board may periodically adjust annuity payments from the retirement system based on annual investment performance in accordance with s. 40.27, Wis. Stat. An increase (or decrease) in annuity payments may result when investment gains (losses), together with other actuarial experience factors, create a surplus (shortfall) in the reserves, as determined by the system's consulting actuary. Annuity increases are not based on cost of living or other similar factors. For Core annuities, decreases may be applied only to previously granted increases. By law, Core annuities cannot be reduced to an amount below the original, guaranteed amount (the "floor") set at retirement. The Core and Variable annuity adjustments granted during recent years are as follows:

<u>Year</u>	<u>Core Fund Adjustment</u>	<u>Variable Fund Adjustment</u>
2005	2.6%	7%
2006	0.8	3
2007	3.0	10
2008	6.6	0
2009	(2.1)	(42)
2010	(1.3)	22
2011	(1.2)	11
2012	(7.0)	(7)
2013	(9.6)	9
2014	4.7	25

# VILLAGE OF SHOREWOOD HILLS

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2015

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## NOTE IV - OTHER INFORMATION (cont.)

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### A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

**Contributions.** Required contributions are determined by an annual actuarial valuation in accordance with Chapter 40 of the Wisconsin Statutes. The employee required contribution is one-half of the actuarially determined contribution rate for General category employees and Executives and Elected Officials. Required contributions for protective employees are the same rate as general employees. Employers are required to contribute the remainder of the actuarially determined contribution rate. The employer may not pay the employee required contribution unless provided for by an existing collective bargaining agreement.

During the reporting period, the WRS recognized \$102,910 in contributions from the village.

Contribution rates as of December 31, 2015 are:

<u>Employee Category</u>	<u>Employee</u>	<u>Employer</u>
General	6.8%	6.8%
Executives & Elected Officials	7.7%	7.7%
Protective with Social Security	6.8%	9.5%
Protective without Social Security	6.8%	13.1%

### ***Pension Assets, Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions***

At December 31, 2015, the village reported an asset of \$262,714 for its proportionate share of the net pension asset. The net pension asset was measured as of December 31, 2014, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2013 rolled forward to December 31, 2014. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The village's proportion of the net pension asset was based on the village's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2014, the village's proportion was 0.01069970%, which was a decrease of 0.00020057% from its proportion measured as of December 31, 2013.

For the year ended December 31, 2015, the village recognized pension expense of \$111,962.

**VILLAGE OF SHOREWOOD HILLS**

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2015

**NOTE IV - OTHER INFORMATION (cont.)**

**A. EMPLOYEES' RETIREMENT SYSTEM (cont.)**

At December 31, 2015, the village reported deferred outflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources
Differences between expected and actual experience	\$ 38,100
Net differences between projected and actual earnings on pension plan investments	127,267
Changes in proportion and differences between employer contributions and proportionate share of contributions	5,125
Employer contributions subsequent to the measurement date	92,261
Totals	\$ 262,753

\$92,261 reported as deferred outflows related to pension resulting from the WRS Employer's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability (asset) in the year ended December 31, 2016. Other amounts reported as deferred outflows of resources related to pension will be recognized in pension expense as follows:

Year Ended December 31:	Deferred Outflows of Resources	Deferred Inflows of Resources
2016	\$ 41,671	\$ -
2017	41,671	-
2018	41,671	-
2019	41,670	-
2020	3,809	-

# VILLAGE OF SHOREWOOD HILLS

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2015

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## NOTE IV - OTHER INFORMATION (cont.)

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### A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

**Actuarial assumptions.** The total pension liability in the December 31, 2014 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date:	December 31, 2013
Measurement Date of Net Pension Liability (Asset)	December 31, 2014
Actuarial Cost Method:	Entry Age
Asset Valuation Method:	Fair Market Value
Long-Term Expected Rate of Return:	7.2%
Discount Rate:	7.2%
Salary Increases:	
Inflation	3.2%
Seniority/Merit	0.2% - 5.8%
Mortality:	Wisconsin 2012 Mortality Table
Post-retirement Adjustments*:	2.1%

*\* No post-retirement adjustment is guaranteed. Actual adjustments are based on recognized investment return, actuarial experience and other factors. 2.1% is the assumed annual adjustment based on the investment return assumption and the post-retirement discount rate.*

Actuarial assumptions are based upon an experience study conducted in 2012 using experience from 2009 – 2011. The total pension liability for December 31, 2014 is based upon a roll-forward of the liability calculated from the December 31, 2013 actuarial valuation.

# VILLAGE OF SHOREWOOD HILLS

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2015

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## NOTE IV - OTHER INFORMATION (cont.)

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### A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

**Long-term expected return on plan assets.** The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Long-Term Real Rate of Return</u>	<u>Target Allocation</u>
US Equities	5.3%	21%
International Equities	5.7	23
Fixed Income	1.7	36
Inflation Sensitive Assets	2.3	20
Real Estate	4.2	7
Private Equity/Debt	6.9	7
Multi-Asset	3.9	6
Cash	0.9	-20

**Single discount rate.** A single discount rate of 7.20% was used to measure the total pension liability. This single discount rate was based on the expected rate of return on pension plan investments of 7.20% and a long term bond rate of 3.56%. Because of the unique structure of WRS, the 7.20% expected rate of return implies that a dividend of approximately 2.1% will always be paid. For purposes of the single discount rate, it was assumed that the dividend would always be paid. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments (including expected dividends) of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

# VILLAGE OF SHOREWOOD HILLS

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2015

## NOTE IV - OTHER INFORMATION (cont.)

### A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

**Sensitivity of the village's proportionate share of the net pension asset to changes in the discount rate.** The following presents the village's proportionate share of the net pension asset calculated using the discount rate of 7.20 percent, as well as what the village's proportionate share of the net pension asset would be if it were calculated using a discount rate that is 1-percentage-point lower (6.20 percent) or 1-percentage-point higher (8.20 percent) than the current rate:

	1% Decrease to Discount Rate (6.20%)	Current Discount Rate (7.20%)	1% Increase to Discount Rate (8.20%)
Village's proportionate share of the net pension asset/(liability)	\$(741,443)	\$262,814	\$1,055,936

**Pension plan fiduciary net position.** Detailed information about the pension plan's fiduciary net position is available in separately issued financial statements available at <http://legis.wisconsin.gov/lab/> and reference report number 15-11.

At December 31, 2015, the village reported a payable to the pension plan which represents contractually required contributions outstanding as of the end of the year.

### B. RISK MANAGEMENT

The village is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors and omissions; workers compensation; and health care of its employees. All of these risks are covered through the purchase of commercial insurance, with minimal deductibles. Settled claims have not exceeded the commercial coverage in any of the past three years. There were no significant reductions in coverage compared to the prior year.

### C. COMMITMENTS AND CONTINGENCIES

Claims and judgments are recorded as liabilities if all the conditions of Governmental Accounting Standards Board pronouncements are met. The liability and expenditure for claims and judgments are only reported in governmental funds if it has matured. Claims and judgments are recorded in the government-wide statements and proprietary funds as expenses when the related liabilities are incurred.

From time to time, the village is party to various pending claims and legal proceedings. Although the outcome of such matters cannot be forecasted with certainty, it is the opinion of management and the village attorney that the likelihood is remote that any such claims or proceedings will have a material adverse effect on the village's financial position or results of operations.

The village has received federal and state grants for specific purposes that are subject to review and audit by the grantor agencies. Such audits could lead to requests for reimbursements to the grantor agency for expenditures disallowed under terms of the grants. Management believes such disallowances, if any, would be immaterial.

# VILLAGE OF SHOREWOOD HILLS

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2015

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## NOTE IV - OTHER INFORMATION (cont.)

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### *C. COMMITMENTS AND CONTINGENCIES (cont.)*

In 2014, the village issued a municipal revenue obligation as part of a development agreement. The amount of the obligation was \$900,000, and is payable to the developer solely from tax increments collected from a specific portion of the development in TIF No. 4.

Payments are scheduled through the year 2030, and carry an interest rate of 5%. The obligation does not constitute a charge upon any funds of the village. In the event that future tax increments are not sufficient to pay off the obligation, the obligation terminates with no further liability to the village. Since the amount of future payments is contingent on the collection of future TIF increments, the obligation is not reported as a liability in the accompanying financial statements. The balance of the commitment outstanding at year end was \$900,000.

In 2015, the village issued a municipal revenue obligation as part of a development agreement. The amount of the obligation was \$2,100,000, and is payable to the developer solely from tax increments collected from a specific portion of the development in TIF No. 3.

Payments are scheduled through the year 2029, and carry an interest rate of 5%. The obligation does not constitute a charge upon any funds of the village. In the event that future tax increments are not sufficient to pay off the obligation, the obligation terminates with no further liability to the village. Since the amount of future payments is contingent on the collection of future TIF increments, the obligation is not reported as a liability in the accompanying financial statements. The balance of the commitment outstanding at year end was \$2,100,000.

### *D. JOINT VENTURES*

#### *Metropolitan Refuse District, Inc.*

The Village of Shorewood Hills and the City of Middleton, and the Village of Waunakee jointly operate the sanitary landfill, which is called the Metropolitan Refuse District, Inc. (district) and provides The communities share in the operation of the district based on equalized values. The village's share is 5%, the City of Middleton's share is 56% and the Village of Waunakee's share is 39%.

The governing body is made up of citizens from each community. Local representatives are appointed by the municipalities. The governing body has authority to adopt its own budget and control the financial affairs of the district. The village is obligated by the joint venture agreement to remit an amount annually to the district. The village made a payment to the district of \$5,370 in 2015.

Financial information of the district as of December 31, 2015 is available directly from the district's office.

The equity interest is reported in the governmental activities column of the government-wide statement of net position. Changes in the equity interest are reported on the statement of activities.

# VILLAGE OF SHOREWOOD HILLS

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2015

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## NOTE IV - OTHER INFORMATION (cont.)

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### **D. JOINT VENTURES** (cont.)

#### ***Metropolitan Refuse District, Inc.*** (cont.)

District reporting follows Governmental Accounting Standards Board Statement No. 18, "Accounting for Municipal Solid Waste Landfill Closure and Postclosure Care Costs." The district's fund balance at December 31, 2015 is a deficit of \$1,093,899. Reporting standards require the village to report its share of the net deficit. The village's proportionate share of the operations of the district is 5%, which amounts to \$59,374 of the district's net deficit. The village's share of the net deficit has been reported as a noncurrent liability in the government-wide statements.

### **E. EFFECT OF NEW ACCOUNTING STANDARDS ON CURRENT-PERIOD FINANCIAL STATEMENTS**

The Governmental Accounting Standards Board (GASB) has approved the following:

- > Statement No. 72, *Fair Value Measurement and Application*
- > Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not Within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*
- > Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*
- > Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*
- > Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Government*
- > Statement No. 77, *Tax Abatement Disclosures*
- > Statement No. 78, *Pensions Provided Through Certain Multiple-Employer Defined Benefit Pension Plans*

When they become effective, application of these standards may restate portions of these financial statements.

**REQUIRED SUPPLEMENTARY INFORMATION**

## VILLAGE OF SHOREWOOD HILLS

### SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND For the Year Ended December 31, 2015

	Original and Final Budget	Actual	Variance with Final Budget
<b>REVENUES</b>			
<b>TAXES</b>			
Property	\$ 2,524,709	\$ 2,524,709	\$ -
Interest and penalties on taxes	600	1,436	836
Total Taxes	<u>2,525,309</u>	<u>2,526,145</u>	<u>836</u>
<b>INTERGOVERNMENTAL</b>			
State shared revenues	20,888	20,889	1
Fire insurance tax (2% fire dues)	17,592	17,913	321
State aid - exempt computer	33,000	46,740	13,740
State aid - law enforcement	2,300	2,034	(266)
State aid - road allotment	249,642	249,642	-
State aid - recycling	14,945	14,942	(3)
State aid - conservation	4,929	4,929	-
Build America Bond subsidy	9,779	9,772	(7)
Federal aid - fire	1,200	1,230	30
Other local government grants	-	1,000	1,000
Total Intergovernmental	<u>354,275</u>	<u>369,091</u>	<u>14,816</u>
<b>LICENSES AND PERMITS</b>			
Business and occupational licenses	2,600	3,280	680
Liquor and malt beverage licenses	4,675	5,285	610
Cable television franchise fees	24,000	29,024	5,024
Bicycle licenses	100	72	(28)
Dog and cat licenses	4,500	2,068	(2,432)
Other nonbusiness licenses	300	480	180
Building permits	20,000	55,033	35,033
Electrical permits	6,200	12,690	6,490
Plumbing permits	4,000	9,013	5,013
Heating and air conditioning permits	6,000	4,763	(1,237)
Other permits	1,700	448	(1,252)
Zoning permits and fees	3,400	4,000	600
Total Licenses and Permits	<u>77,475</u>	<u>126,156</u>	<u>48,681</u>
<b>FINES, FORFEITURES AND PENALTIES</b>			
Court penalties and costs	27,000	26,993	(7)
Parking violations	41,000	60,575	19,575
Total Fines, Forfeitures and Penalties	<u>68,000</u>	<u>87,568</u>	<u>19,568</u>

See independent auditors' report and accompanying notes to required supplementary information.

## VILLAGE OF SHOREWOOD HILLS

### SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND For the Year Ended December 31, 2015

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>PUBLIC CHARGES FOR SERVICES</b>			
Clerk's fees	\$ 1,600	\$ 1,526	\$ (74)
Law enforcement fees	400	632	232
Garden plots	1,890	1,920	30
Recreation - four corners	17,000	14,865	(2,135)
Recreation - tennis	33,500	31,942	(1,558)
Recreation - basketball	1,800	1,505	(295)
Recreation - golf	5,400	5,126	(274)
Recreation - land	16,000	15,300	(700)
Recreation - soccer	8,000	8,789	789
Recreation - surcharges	14,000	7,801	(6,199)
Recreation - kayak/canoe	800	480	(320)
Disposal repair	<u>1,000</u>	<u>1,617</u>	<u>617</u>
Total Public Charges for Services	<u>101,390</u>	<u>91,503</u>	<u>(9,887)</u>
<b>INVESTMENT INCOME</b>			
Investment income	<u>3,200</u>	<u>4,987</u>	<u>1,787</u>
Total Investment Income	<u>3,200</u>	<u>4,987</u>	<u>1,787</u>
<b>MISCELLANEOUS</b>			
Rent	146,377	137,148	(9,229)
Property sales	13,000	13,093	93
Insurance recoveries - other	-	7,892	7,892
Donations	4,500	8,158	3,658
Miscellaneous	2,160	19,657	17,497
Water utility - reimbursement for services	9,000	9,000	-
Sewer utility - reimbursement for services	9,000	9,000	-
Waterfront - reimbursement for services	16,700	16,700	-
Stormwater - reimbursement for services	9,000	9,000	-
Dane County calendars	1,300	616	(684)
July 4th dinner/fireworks	<u>9,100</u>	<u>9,929</u>	<u>829</u>
Total Miscellaneous	<u>220,137</u>	<u>240,193</u>	<u>20,056</u>
 Total Revenues	 <u>3,349,786</u>	 <u>3,445,643</u>	 <u>95,857</u>

See independent auditors' report and accompanying notes to required supplementary information.

## VILLAGE OF SHOREWOOD HILLS

### SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND For the Year Ended December 31, 2015

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>EXPENDITURES</b>			
<b>GENERAL GOVERNMENT</b>			
Village board	\$ 1,000	\$ 3,247	\$ (2,247)
Committees	1,000	395	605
Judicial	31,686	33,591	(1,905)
Legal	37,000	90,535	(53,535)
Administrator	130,404	117,418	12,986
Clerk	156,325	121,785	34,540
Personnel	66,554	72,539	(5,985)
Elections	1,800	1,229	571
Data processing	19,550	16,545	3,005
Finance	24,450	22,131	2,319
Treasury	2,000	198	1,802
Assessment of property	6,100	6,000	100
Risk and property management	69,910	53,473	16,437
Buildings and plant	90,960	94,404	(3,444)
Village hall	13,231	7,593	5,638
Total General Government	<u>651,970</u>	<u>641,083</u>	<u>10,887</u>
<b>PUBLIC SAFETY</b>			
Police	725,838	745,298	(19,460)
Fire protection	594,850	630,356	(35,506)
Inspection	18,739	32,683	(13,944)
Dispatch	4,841	3,019	1,822
Total Public Safety	<u>1,344,268</u>	<u>1,411,356</u>	<u>(67,088)</u>
<b>PUBLIC WORKS</b>			
DPW - aidable	111,388	97,586	13,802
DPW - nonaidable	141,228	139,194	2,034
Garage	34,000	21,436	12,564
Street maintenance and repair	10,000	8,500	1,500
Street lighting	27,100	22,422	4,678
Storm sewer maintenance	-	34	(34)
Bus service - disabled	25,000	25,000	-
Refuse and garbage collection	95,872	94,094	1,778
Landfill	5,370	5,370	-
Leaf collection	48,245	53,317	(5,072)
Total Public Works	<u>498,203</u>	<u>466,953</u>	<u>31,250</u>

See independent auditors' report and accompanying notes to required supplementary information.

## VILLAGE OF SHOREWOOD HILLS

### SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND For the Year Ended December 31, 2015

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>CULTURE, EDUCATION AND RECREATION</b>			
Community center	\$ 12,189	\$ 9,365	\$ 2,824
Parks	127,247	129,199	(1,952)
Special events	13,700	14,768	(1,068)
Four corners	16,640	15,655	985
Land recreation	12,765	16,654	(3,889)
Tennis	26,377	26,692	(315)
Golf	5,200	5,173	27
Soccer	6,000	7,464	(1,464)
Basketball	1,046	1,104	(58)
Total Culture, Education and Recreation	<u>221,164</u>	<u>226,074</u>	<u>(4,910)</u>
<b>CONSERVATION AND DEVELOPMENT</b>			
Forestry	25,900	21,181	4,719
Planning	3,500	2,507	993
Total Conservation and Development	<u>29,400</u>	<u>23,688</u>	<u>5,712</u>
<b>CAPITAL OUTLAY</b>			
General administration	9,500	4,894	4,606
Other public safety	47,400	43,599	3,801
Total Capital Outlay	<u>56,900</u>	<u>48,493</u>	<u>8,407</u>
 Total Expenditures	 <u>2,801,905</u>	 <u>2,817,647</u>	 <u>(15,742)</u>
 Excess of revenues over expenditures	 <u>547,881</u>	 <u>627,996</u>	 <u>80,115</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	43,300	57,748	14,448
Transfers out	(710,449)	(749,210)	(38,761)
Total Other Financing Sources (Uses)	<u>(667,149)</u>	<u>(691,462)</u>	<u>(24,313)</u>
 <b>Net Change in Fund Balance</b>	 (119,268)	 (63,466)	 55,802
 FUND BALANCE - Beginning of Year	 <u>1,143,819</u>	 <u>1,143,819</u>	 <u>-</u>
 <b>FUND BALANCE - END OF YEAR</b>	 <u>\$ 1,024,551</u>	 <u>\$ 1,080,353</u>	 <u>\$ 55,802</u>

See independent auditors' report and accompanying notes to required supplementary information.

## VILLAGE OF SHOREWOOD HILLS

DETAILED SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL - SWIMMING POOL  
For the Year Ended December 31, 2015

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>REVENUES</b>			
<b>INTERGOVERNMENTAL</b>			
Build America Bond subsidy	\$ 1,507	\$ 1,509	\$ 2
<b>PUBLIC CHARGES FOR SERVICES</b>	568,475	558,554	(9,921)
<b>MISCELLANEOUS</b>	<u>4,000</u>	<u>4,974</u>	<u>974</u>
Total Revenues	<u>573,982</u>	<u>565,037</u>	<u>(8,945)</u>
<b>EXPENDITURES</b>			
<b>CULTURE, EDUCATION AND RECREATION</b>			
	425,753	433,591	(7,838)
<b>CAPITAL OUTLAY</b>	<u>-</u>	<u>11,150</u>	<u>(11,150)</u>
Total Expenditures	<u>425,753</u>	<u>444,741</u>	<u>(18,988)</u>
Excess of revenues over expenditures	148,229	120,296	(27,933)
<b>OTHER FINANCING USES</b>			
Transfers out	<u>(114,122)</u>	<u>(114,122)</u>	<u>-</u>
<b>Net Change in Fund Balance</b>	34,107	6,174	(27,933)
FUND BALANCE - Beginning of Year	<u>227,250</u>	<u>227,250</u>	<u>-</u>
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ 261,357</u>	<u>\$ 233,424</u>	<u>\$ (27,933)</u>

See independent auditors' report and accompanying notes to required supplementary information.

**VILLAGE OF SHOREWOOD HILLS**

SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION ASSET -  
WISCONSIN RETIREMENT SYSTEM  
For the Year Ended December 31, 2015

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<u>Fiscal Year Ending</u>	<u>Proportion of the Net Pension Asset</u>	<u>Proportionate Share of the Net Pension Asset</u>	<u>Covered Payroll</u>	<u>Proportionate Share of the Net Pension Asset as a Percentage of Covered Payroll</u>	<u>Plan Fiduciary Net Position as a Percentage of the Total Pension Asset</u>
12/31/15	0.01069970%	\$ 262,814	\$ 1,229,578	21.37%	102.74%

SCHEDULE OF EMPLOYER CONTRIBUTIONS - WISCONSIN RETIREMENT SYSTEM  
For the Year Ended December 31, 2015

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<u>Fiscal Year Ending</u>	<u>Contractually Required Contributions</u>	<u>Contributions in Relation to the Contractually Required Contributions</u>	<u>Contribution Deficiency (Excess)</u>	<u>Covered Payroll</u>	<u>Contributions as a Percentage of Covered Payroll</u>
12/31/15	\$ 92,261	\$ 92,261	\$ -	\$ 1,179,169	7.82%

See independent auditors' report and accompanying notes to the required supplementary information.

# VILLAGE OF SHOREWOOD HILLS

## NOTES TO REQUIRED SUPPLEMENTARY INFORMATION For the Year Ended December 31, 2015

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### ***BUDGETARY INFORMATION***

Budgetary information is derived from the annual operating budget and is presented using the same basis of accounting for each fund as described in Note I. C.

The budgeted amounts presented are as presented in the original budget and no amendments were adopted during the year. The village administrator may authorize transfer of budgeted amounts within departments. Transfers between departments and changes to the overall budget must be approved by a two-thirds board action.

Appropriations lapse at year end unless specifically carried over. There were no carryovers to the following year. Budgets are adopted at the department level of expenditure.

### ***WISCONSIN RETIREMENT SYSTEM***

The amounts determined for each fiscal year were determined as of the calendar year-end that occurred within the fiscal year.

The village is required to present the last ten fiscal years of data; however accounting standards allow the presentation of as many years as are available until ten fiscal years are presented.

*Changes in benefit terms.* There were no changes of benefit terms for any participating employer in the Wisconsin Retirement System.

*Changes in Assumptions.* There were no changes in assumptions.

# **VILLAGE OF SHOREWOOD HILLS**

Shorewood Hills, Wisconsin

COMMUNICATION TO THOSE CHARGED  
WITH GOVERNANCE AND MANAGEMENT

As of and for the Year Ended December 31, 2015

# VILLAGE OF SHOREWOOD HILLS

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**REQUIRED COMMUNICATION OF INTERNAL CONTROL RELATED MATTERS  
IDENTIFIED IN THE AUDIT TO THOSE CHARGED WITH GOVERNANCE**

To the Village Board and Management  
Village of Shorewood Hills  
Shorewood Hills, Wisconsin

In planning and performing our audit of the financial statements of the Village of Shorewood Hills as of and for the year ended December 31, 2015, in accordance with auditing standards generally accepted in the United States of America, we considered its internal control over financial reporting (internal control) as a basis for designing our auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of its internal control. Accordingly, we do not express an opinion on the effectiveness of its internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified certain deficiencies in internal control that we consider to be material weaknesses and another deficiency that we consider to be a significant deficiency.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the following deficiencies in the village's internal control to be material weaknesses:

- > Internal Control Environment
- > Internal Control Over Financial Reporting

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the following deficiency in the village's internal control to be a significant deficiency.

- > Information Technology System Internal Controls

This communication is intended solely for the information and use of management, the village board, and others within the organization and is not intended to be, and should not be, used by anyone other than these specified parties.

*Baker Tilly Virchow Krause, LLP*

Madison, Wisconsin  
May 11, 2016

Auditing standards require that we perform procedures to obtain an understanding of your government and its internal control environment as part of the annual audit. This includes an analysis of significant transaction cycles and an analysis of the year-end financial reporting process and preparation of your financial statements.

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## **INTERNAL CONTROL ENVIRONMENT**

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A properly designed system of internal control includes adequate staffing as well as policies and procedures to properly segregate duties. This includes systems that are designed to limit the access or control of any one individual to your government's assets or accounting records, and to achieve a higher likelihood that errors or irregularities in the village's accounting processes would be discovered by your staff in a timely manner.

At this time, due to staffing and financial limitations, the proper internal controls are not in place to achieve adequate segregation of duties. As a result, errors or irregularities could occur as part of the financial process that may not be discovered by someone in your organization. Therefore, we are reporting a material weakness related to the internal control environment.

There are also certain controls that are not currently in place related to significant transaction cycles. As a result, there is a risk that erroneous or unauthorized transactions or misstatements could occur without the knowledge of management or the governing body. Our recommendations for strengthening controls are listed below.

### ***CONTROLS OVER ACCOUNTS PAYABLE/DISBURSEMENTS***

1. There should be a process to review, record, and approve retainages at year end.

### ***CONTROLS OVER UTILITY BILLING AND RECEIPTING***

1. The reconciliation of the detailed listing of receivables in the billing system and the receivable balance in the general ledger should be prepared by someone independent of the utility billing and cash receipting processes.

### ***CONTROLS OVER FINANCIAL REPORTING***

1. Account reconciliations should be performed by someone independent of the processing of transactions in the account.

Since the controls listed above or other compensating controls are not currently in place, errors or irregularities could occur as part of the accounting processes that might not be discovered by management or the governing body. Therefore, the absence of these controls is considered to be a material weakness.

We recommend that a designated employee review the segregation of duties, risks, and these potential controls and determine whether additional controls should be implemented. This determination should take into consideration a cost / benefit analysis to the village.

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## **INTERNAL CONTROL OVER FINANCIAL REPORTING**

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Properly designed systems of internal control provide your organization with the ability to process and record accurate monthly and year-end transactions and annual financial reports.

Our audit includes a review and evaluation of the internal controls relating to financial reporting. Common attributes of a properly designed system of internal control for financial reporting are as follows:

- > There is adequate staffing to prepare financial reports throughout the year and at year-end.
- > Material misstatements are identified and corrected during the normal course of duties.
- > Complete and accurate financial statements, including footnotes, are prepared.
- > Financial reports are independently reviewed for completeness and accuracy.

Our evaluation of the internal controls over financial reporting has identified control deficiencies that are considered material weaknesses surrounding the preparation of financial statements and footnotes, adjusting journal entries identified by the auditors, and an independent review of financial reports.

Management has not prepared financial reports that are in conformity with generally accepted accounting principles. In addition, material misstatements in the general ledger were identified during the financial audit.

This high level of control over financial reporting can be a difficult task for governments that operate with only enough staff to process monthly transactions and reports, and often rely on their auditors to prepare certain year-end audit entries and financial statements.

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## **INFORMATION TECHNOLOGY SYSTEM INTERNAL CONTROLS**

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The village's present software system lacks certain security features that, if operated improperly, would not allow for the identification of changes made to financial data after the original entry of such data. This is a control weakness that exists in many database software packages, including Microsoft Office Access, which is the basis for your software. Many of the system users may not possess the technical knowledge to operate the system in a manner that would impair the system's control integrity. However, it is possible that some users may possess the knowledge to circumvent the system's controls.

**OTHER COMMUNICATIONS TO THOSE CHARGED WITH GOVERNANCE**

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## **TWO WAY COMMUNICATION REGARDING YOUR AUDIT**

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As part of our audit of your financial statements, we are providing communications to you throughout the audit process. Auditing requirements provide for two-way communication and are important in assisting the auditor and you with more information relevant to the audit.

As this past audit is concluded, we use what we have learned to begin the planning process for next year's audit. It is important that you understand the following points about the scope and timing of our next audit:

- a. We address the significant risks of material misstatement, whether due to fraud or error, through our detailed audit procedures.
- b. We will obtain an understanding of the five components of internal control sufficient to assess the risk of material misstatement of the financial statements whether due to error or fraud, and to design the nature, timing, and extent of further audit procedures. We will obtain a sufficient understanding by performing risk assessment procedures to evaluate the design of controls relevant to an audit of financial statements and to determine whether they have been implemented. We will use such knowledge to:
  - > Identify types of potential misstatements.
  - > Consider factors that affect the risks of material misstatement.
  - > Design tests of controls, when applicable, and substantive procedures.

We will not express an opinion on the effectiveness of internal control over financial reporting or compliance with laws, regulations, and provisions of contracts or grant programs.

- c. The concept of materiality recognizes that some matters, either individually or in the aggregate, are important for fair presentation of financial statements in conformity with generally accepted accounting principles while other matters are not important. In performing the audit, we are concerned with matters that, either individually or in the aggregate, could be material to the financial statements. Our responsibility is to plan and perform the audit to obtain reasonable assurance that material misstatements, whether caused by errors or fraud, are detected.
- d. Your financial statements contain a component, as defined by auditing standards generally accepted in the United States of America, which we also audit.

We are very interested in your views regarding certain matters. Those matters are listed here:

- a. We typically will communicate with your top level of management unless you tell us otherwise.
- b. We understand that the village board has the responsibility to oversee the strategic direction of your organization, as well as the overall accountability of the entity. Management has the responsibility for achieving the objectives of the entity.
- c. We need to know your views about your organization's objectives and strategies, and the related business risks that may result in material misstatements.
- d. Which matters do you consider warrant particular attention during the audit, and are there any areas where you request additional procedures to be undertaken?
- e. Have you had any significant communications with regulators or grantor agencies?
- f. Are there other matters that you believe are relevant to the audit of the financial statements?

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## **TWO WAY COMMUNICATION REGARDING YOUR AUDIT (cont.)**

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Also, is there anything that we need to know about the attitudes, awareness, and actions of the village concerning:

- a. The village's internal control and its importance in the entity, including how those charged with governance oversee the effectiveness of internal control?
- b. The detection or the possibility of fraud?

We also need to know if you have taken actions in response to developments in financial reporting, laws, accounting standards, governance practices, or other related matters, or in response to previous communications with us.

With regard to the timing of our audit, here is some general information. If necessary, we may do preliminary audit work during the months of October-December, and sometimes early January. Our final fieldwork is scheduled during the spring to best coincide with your readiness and report deadlines. After fieldwork, we wrap up our audit procedures at our office and may issue drafts of our report for your review. Final copies of our report and other communications are issued after approval by your staff. This is typically 6-12 weeks after final fieldwork, but may vary depending on a number of factors.

Keep in mind that while this communication may assist us with planning the scope and timing of the audit, it does not change the auditor's sole responsibility to determine the overall audit strategy and the audit plan, including the nature, timing, and extent of procedures necessary to obtain sufficient appropriate audit evidence.

We realize that you may have questions on what this all means, or wish to provide other feedback. We welcome the opportunity to hear from you.

**COMMUNICATION OF OTHER CONTROL DEFICIENCIES, RECOMMENDATIONS  
AND INFORMATIONAL POINTS TO MANAGEMENT THAT ARE NOT  
MATERIAL WEAKNESSES OR SIGNIFICANT DEFICIENCIES**

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## DECENTRALIZED CASH COLLECTIONS

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Many governments collect cash at numerous decentralized locations that are separate from the primary system of accounting procedures and controls. The opportunity for theft is often higher at those locations because one person is frequently involved in most, if not all, aspects of a transaction (i.e. lack of segregation of duties).

Examples in your government that fit this situation include: swimming pool and police department.

Management is responsible for designing and implementing controls and procedures to detect and prevent fraud. As a result, we recommend that management review its decentralized cash collection procedures and controls on a periodic basis and make changes as necessary to strengthen the internal control environment. Reviewing the adequacy of the controls is a responsibility of the governing body.

Below are example procedures and controls to help mitigate the risk of loss at decentralized cash collection points:

- > Implement a centralized receipting process with adequate segregation of duties
- > For cash collections, ensure pre-numbered receipts are being used and all receipts in the sequence are being reviewed by someone other than the person receipting the cash and receipts tie to deposits
- > Perform surprise procedures at decentralized locations (cash counts, walkthrough of processes, etc.)
- > Require regular cash deposits to minimize collection on-hand
- > Limit the number of separate bank accounts
- > Segregate duties as much as possible – the person receipting cash should be separate from the person preparing deposits and the person reconciling bank accounts should be separate from the cash collection activity
- > Perform a month-to-month or year-to-year comparisons to look for unusual changes in collections
- > If collecting from a drop box site, consider sending two people to collect the funds, especially during peak times

As always, the cost of controls and staffing must be weighed against the benefits of safeguarding your assets.

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## INFORMATIONAL POINTS

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### *TAX INCREMENT FINANCING LAW CHANGES*

In 2014, the Wisconsin Legislature appointed the Legislative Council Study Committee on the Review of Tax Increment Financing to study and review Wisconsin's Tax Incremental Financing (TIF) laws and to make recommendations for modifications and improvements. The Committee recommended eight bills, four of which were adopted by the Legislature and signed by the Governor in March 2016. Following is a summary of the new laws:

- > 2015 Wisconsin Act 254 permits a Tax Incremental District (TID) project plan to be amended, or its maximum lifespan to be extended by an additional three years, or both, if at any time during the life of the TID, the annual and total amount of tax increments to be generated are adversely impacted by Wisconsin Act 145. Act 145 increased state aid to technical college districts in order to reduce the total statewide levy of technical college districts.
- > 2015 Wisconsin Act 255 removes the restriction that vacant property may not comprise more than 25 percent of the area of a newly created TID and excludes all tax-exempt city-owned property from the calculation of a TID's initial tax incremental base value.
- > 2015 Wisconsin Act 256 makes several technical changes to the TIF law, deleting certain obsolete provisions and clarifying/modifying others, such as maintenance of industrial zoning, public hearing notice for TID amendments and Joint Review Board review period. It also specifies that the municipality's equalized value for the preceding year, as used in the calculation of the levy limit exception for the year that a TID terminates, excludes the value of any TID value increments (TID OUT Value).
- > 2015 Wisconsin Act 257 makes several changes to improve reporting and transparency regarding the performance of TIF districts, including requiring a community to submit an annual report by July 1 describing the status of each existing TID to each overlying taxing jurisdiction as well as to the Wisconsin Department of Revenue (DOR). There will be a \$100 per day fine imposed for reports that are past due. In addition, the joint review board must meet annually to review the annual report and status of each TID. Baker Tilly will be working with the DOR in upcoming months to fully understand the impact of the reporting changes. We anticipate that there will be additional information your government will need to provide as part of this new reporting process. We will communicate additional information as it is known.

Acts 254, 255, 256 and certain sections of Act 257 are effective immediately and apply to all TIDs that are created or amended after October 1, 2015. The effective date for the annual reporting requirements stated in Act 257 is October 1, 2016. Accordingly, this new reporting requirement will be effective for your 2016 annual report due by July 1, 2017. More information related to these new laws is available on the DOR and Wisconsin State Statute's websites.

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## **INFORMATIONAL POINTS (cont.)**

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### ***CYBER RISK ASSESSMENT***

Cybersecurity is a growing challenge for many governments as threats and vulnerabilities constantly evolve. Information security is a significant issue for many organizations and is no longer considered to be strictly an Information Technology (IT) issue. The potential impacts of a security breach can be financial, operational, and reputational. Cyber risk should be a high priority and evaluated on a regular basis.

Security breaches can come in a number of forms, which are continually evolving with advances in and increased use of technology. It is important for governments to assess what types of information they have that are vulnerable to cyber-attack. Items to consider include processing, collecting, and/or storing personal information about employees, taxpayers, and/or customers. Social security numbers, bank accounts, addresses, medical information, birth dates, and credit cards are all common examples of information existing in systems of governmental entities. In addition, general ledger data and other supporting files can be compromised. Several instances of ransomware have been reported in governmental entities like yours during the last year. Ransomware restricts access to your files and demands a ransom to the malware operator in order to release the restriction. It is important to take inventory of all the information that flows through your systems in order to properly secure your data.

We recommend performing a cyber risk assessment to align the internal controls and processes with the organizational objectives, initiatives, resources, and risk appetites with regards to cyber risk. We have cybersecurity experts on staff that are available to assist with this assessment.

### ***HIPAA RISK ASSESSMENT***

With data breaches on the rise, the US Department of Health and Human Services (HHS) Office of Civil Rights (OCR) has ramped up auditing and enforcement of Health Insurance Portability and Accountability Act (HIPAA) compliance in recent years. What they have found is that many organizations are not doing enough to protect Electronic Protected Health Information (ePHI).

One of the most common findings identified by HHS OCR is the lack of a thorough and documented risk assessment. The HIPAA Security Rule requires that organizations in accordance with the Code of Federal Regulations 45 §164.308(a)(1)(ii)(A) "Conduct an accurate and thorough assessment of the potential risks and vulnerabilities to the confidentiality, integrity, and availability of electronic protected health information ...". HHS OCR has indicated this risk assessment should be documented and performed at least annually.

Breach notification to HHS OCR is required when ePHI is exposed. When HHS OCR investigates such breaches, the documentation for the organization's latest risk assessment is often one of the first requests by HHS OCR for their review.

We recommend you perform and document the required HIPAA risk assessment. We are available to assist you with this process.

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## **INFORMATIONAL POINTS (cont.)**

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### ***GOVERNMENT FRAUD PREVENTION AND DETECTION: NOW IS THE TIME TO ACT***

When it comes to preventing and detecting fraud in government, being proactive is critical. In fact, government is the second most likely industry to be impacted by fraud. According to the audit standards, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management. To get started, your government should conduct a fraud risk assessment to identify where and how fraud might occur and what individuals may be in a position to commit fraud. Once you've identified your entity's fraud risk areas, the next step is to develop a fraud risk assessment and investigation policy.

As you begin your fraud risk assessment or develop tools to prevent and detect fraud, it is important to keep in mind the following information provided by the Association of Certified Fraud Examiners:

- > Misappropriation of assets accounts for 80 percent of fraud
- > The primary internal control weaknesses observed are lack of internal controls, lack of management review, override of existing internal controls and poor tone at the top
- > A tip is the most effective tool to catch a fraudster followed by management review
- > The professional requirements and objectives of a financial audit are different than a forensic audit. Due to the nature of a financial audit, less than 10 percent of frauds have been discovered as a result of a financial audit conducted by an independent accounting firm.

If your government has not gone through a fraud risk assessment or does not have a plan to prevent and detect fraud, we recommend that this be done and then updated on a regular basis. We are available to assist you with this process.

### ***NEW RESOURCES FOR STATE AND LOCAL GOVERNMENT BOARDS***

In recent years, our clients have told us that the roles of their board members have become increasingly demanding. Expectations and accountability are at all-time high and the knowledge required to be an effective board member is substantial. For these reasons, we have compiled a number of resources dedicated to educating state and local government board members. Go to our website [www.bakertilly.com](http://www.bakertilly.com) and click on the State and Local Government page.

Included in the "insights" section at the bottom of the State and Local Government page are four quick-hitting, informative videos:

1. Government financial statements 101
2. Understanding your government's fraud risk
3. Financial ratios and benchmarks
4. Fund balance and other financial policies

Also included are links to other videos, case studies and news / events that you might find of interest.

We encourage you to subscribe to our complimentary newsletter "Government Connection" to stay abreast of the latest issues impacting state and local governments. You can do so by clicking on the "subscribe" button and indicating "State and Local Government" as an area of interest on the subscription form. Also, if you or your board members have suggested topics to feature on our Board Governance webpage or Government Connection newsletter, we invite you to submit your ideas in person or online.

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## **INFORMATIONAL POINTS (cont.)**

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### ***INTERPRETING YOUR FINANCIAL STATEMENTS POST-GASB No. 68***

Now that your financial statements reflect the new pension requirements of GASB Statement No. 68, what has changed and how do you interpret this new information? In summary, GASB Statement No. 68 required governmental entities participating in the Wisconsin Retirement System (WRS) to report their proportionate share of the plan's activity and net pension asset.

As of the December 31, 2014 measurement date used for your 2015 financial statements, WRS reported total resources available to provide pension benefits of \$92.1 billion. They also reported a total liability for pensions of \$89.7 billion. This resulted in a net pension asset of \$2.4 billion. Your government's proportionate share of the asset is \$262,814 and is reported as a restricted asset. There are also pension-related deferred outflows or inflows due to timing of contributions and smoothing of activity.

Pension activity under GASB Statement No. 68 is report in the government-wide financial statements and proprietary fund financial statements, similar to long-term debt. The implementation of this new standard does not affect how you fund or pay for your pension contributions to the WRS.

The accounting and reporting of pensions has become more complex with the implementation of GASB Statement No. 68. We are available to answer any questions on how this new accounting standard affects your financial statements.

### ***REVISIONS TO ACTUARIAL STANDARDS IMPACT IMPLICIT OPEB LIABILITIES***

Current guidance for the accounting and financial reporting of other postemployment benefits (OPEBs) by governmental employers is outlined in GASB No. 45. The most common OPEB is retiree healthcare. This standard applies to both explicit benefits – those where the employer pays for all or a portion of the premiums – as well as implicit benefits. An implicit OPEB occurs when retirees are allowed to remain on the employer's health care plan at their own cost but pay the same blended premium as current employees. While the employer is not paying a portion of the retiree premium they may be paying a higher premium for their active employees than they otherwise would if age adjusted premiums were calculated for each group. This results in an implicit rate subsidy.

When GASB 45 was drafted it allowed community rated plans, such as the State of Wisconsin ETF Plan (the "Plan"), to use unadjusted premiums to the extent allowed by actuarial standards. As such, employers participating in the Plan and not providing explicit retiree benefits have not been required to calculate or record an implicit OPEB liability. However, revisions to Actuarial Standard of Practice (ASOP) No. 6 now provide very limited circumstances in which the use of unadjusted premiums by actuaries will be considered appropriate. In fact, the Plan has indicated that unadjusted premiums will not be able to be used under the new rules. The revisions to ASOP No. 6 are effective for actuarial studies with a measurement date on or after March 31, 2015. This will impact financial reporting periods after December 31, 2015. As a participant in the Plan, which has not calculated or recorded an OPEB liability in the past, you will now need to evaluate the implicit rate subsidy under GASB 45 for your December 31, 2016 financial statements. We are available to assist management with this evaluation.

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## **UTILITY RESULTS**

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### ***WATER UTILITY***

The following are highlights from the water utility for 2015:

- > Operating income of \$62,600 was earned in 2015 compared to operating income of \$72,100 in 2014. The decrease is mainly due to lower operating revenues and slightly higher depreciation expenses in 2015. At December 31, 2015, the water utility had an unrestricted cash deficit of \$381,046. A water rate application with the Public Service Commission has been started.

### ***SEWER UTILITY***

The following are highlights from the sewer utility for 2015:

- > The sewer utility had an operating income of \$54,400 in 2015 compared to an operating income of \$63,900 in 2014. The decrease is mainly due to lower operating revenues and slightly higher operation and maintenance and depreciation expenses. At December 31, 2015, the sewer utility had an unrestricted cash deficit of \$76,794.

### ***STORMWATER UTILITY***

The following are highlights from the stormwater utility for 2015:

- > The stormwater utility had an operating income of \$31,900 in 2015 compared to an operating income of \$46,200 in 2014. The decrease is mainly due to slightly higher operation and maintenance and depreciation expenses.

**REQUIRED COMMUNICATIONS BY THE AUDITOR TO THOSE CHARGED WITH GOVERNANCE**

To the Village Board and Management  
Village of Shorewood Hills  
Shorewood Hills, Wisconsin

Thank you for using Baker Tilly Virchow Krause, LLP as your auditor.

We have completed our audit of the financial statements of the Village of Shorewood Hills for the year ended December 31, 2015 and have issued our report thereon dated May 11, 2016. This letter presents communications required by our professional standards.

***OUR RESPONSIBILITY UNDER AUDITING STANDARDS GENERALLY  
ACCEPTED IN THE UNITED STATES OF AMERICA***

The objective of a financial statement audit is the expression of an opinion on the financial statements. We conducted the audit in accordance with auditing standards generally accepted in the United States of America. These standards require that we plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements prepared by management with your oversight are free of material misstatement, whether caused by error or fraud. Our audit included examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. Our audit does not relieve management or the village board of their responsibilities.

As part of the audit we obtained an understanding of the entity and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing and extent of further audit procedures. The audit was not designed to provide assurance on internal control or to identify deficiencies in internal control.

***OTHER INFORMATION IN DOCUMENTS CONTAINING AUDITED FINANCIAL STATEMENTS***

Our responsibility does not extend beyond the audited financial statements identified in this report. We do not have any obligation to and have not performed any procedures to corroborate other information contained in client prepared documents, such as official statements related to debt issues.

***PLANNED SCOPE AND TIMING OF THE AUDIT***

We performed the audit according to the planned scope and timing previously communicated to you in our prior year report on internal control dated May 1, 2015 and discussed at the finance committee meeting on May 13, 2015 and the board meeting on May 18, 2015.

To the Village Board and Management  
Village of Shorewood Hills

## ***QUALITATIVE ASPECTS OF THE ENTITY'S SIGNIFICANT ACCOUNTING PRACTICES***

### ***Accounting Policies***

Management is responsible for the selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we will advise management about the appropriateness of accounting policies and their application. The significant accounting policies used by the village are described in Note I to the financial statements. As described in Note I to the financial statements, the village changed accounting policies related to financial reporting for pensions by adopting Statement of Governmental Accounting Standards (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions – an Amendment of GASB Statement No. 27* and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an Amendment of GASB Statement No. 68*, in 2015. Accordingly, the accounting change has been retrospectively applied to prior periods as if the policy has always been used. In addition, as described in Note III.J., the village removed the remaining value of an old capital lease from the governmental activities which has been reported as a special item in the financial statements. We noted no transactions of which, under professional standards, we are required to inform you of transactions for which there is a lack of authoritative guidance or consensus.

### ***Accounting Estimates***

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate affecting the financial statements was:

Management's estimate of the allowance for doubtful ambulance accounts is based on historical loss levels and an analysis of the collectivity of individual accounts. We evaluated the key factors and assumptions used to develop the allowance in determining that it is reasonable in relation to the financial statements taken as a whole.

### ***Financial Statement Disclosures***

The disclosures in the notes to the financial statements are neutral, consistent, and clear.

### ***DIFFICULTIES ENCOUNTERED IN PERFORMING THE AUDIT***

We encountered no significant difficulties in dealing with management in performing our audit.

### ***CORRECTED AND UNCORRECTED MISSTATEMENTS***

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management.

The village recognized debt premium in the current year rather than recording as a deferred inflow and amortizing over the life of the notes. This resulted in an overstatement of revenues and net position and an understatement of deferred inflows of \$62,924 in the governmental activities. Management has determined that the effects of these uncorrected misstatements are immaterial, both individually and in the aggregate, to the financial statements as a whole.

To the Village Board and Management  
Village of Shorewood Hills

***CORRECTED AND UNCORRECTED MISSTATEMENTS (cont.)***

The following is a summary of material financial statement misstatements (audit adjustments):

	<u>Amount</u>
Record pension activity for utilities (GASB 68)	\$ 48,281
Record payment in lieu of taxes	57,748
Remove old capital lease from general fund	1,041,628
Record utility depreciation	134,071
Allocate water, sewer, and stormwater capital project costs	124,985

In addition, we prepared GASB No. 34 conversion entries which are summarized in the "Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position" and the "Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities" in the financial statements.

***DISAGREEMENTS WITH MANAGEMENT***

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter that could be significant to the financial statements or the auditors' report. We are pleased to report that no such disagreements arose during the course of our audit.

***CONSULTATIONS WITH OTHER INDEPENDENT ACCOUNTANTS***

In some cases, management may decide to consult with other accountants about auditing and accounting matters. If a consultation involves application of an accounting principle to the governmental unit's financial statements or a determination of the type of auditors' opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

***MANAGEMENT REPRESENTATIONS***

We have requested certain representations from management that are included in the management representation letter. This letter follows this required communication.

***INDEPENDENCE***

We are not aware of any relationships between Baker Tilly Virchow Krause, LLP and the Village of Shorewood Hills that, in our professional judgment, may reasonably be thought to bear on our independence.

To the Village Board and Management  
Village of Shorewood Hills

***INDEPENDENCE*** (cont.)

Relating to our audit of the financial statements of the Village of Shorewood Hills for the year ended December 31, 2015, Baker Tilly Virchow Krause, LLP hereby confirms that we are, in our professional judgment, independent with respect to the Village of Shorewood Hills in accordance with the Code of Professional Conduct issued by the American Institute of Certified Public Accountants, and provided no services to the Village of Shorewood Hills other than audit services provided in connection with the audit of the current year's financial statements and nonaudit services which in our judgment do not impair our independence.

- > Financial statement preparation
- > Adjusting journal entries
- > Compiled TIF financial statements
- > Compiled regulatory reports
- > Civic Systems software
- > Utility rate consulting

None of these nonaudit services constitute an audit under generally accepted auditing standards, including *Government Auditing Standards*.

***OTHER AUDIT FINDINGS OR ISSUES***

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Village of Shorewood Hills auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

***OTHER MATTERS***

We applied certain limited procedures to the required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on the supplementary information which accompanies the financial statements but is not RSI. With respect to the supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

***RESTRICTION ON USE***

This information is intended solely for the use of the village board and management and is not intended to be, and should not be, used by anyone other than these specified parties.

*Baker Tilly Virchow Krause, LLP*

Madison, Wisconsin  
May 11, 2016

## **MANAGEMENT REPRESENTATIONS**

April 15, 2016

**PRIVILEGED COMMUNICATION**

Baker, Tilly Virchow Krause, LLP  
P.O. Box 7398  
Madison, Wisconsin 53707

No disclosures

Re: Village of Shorewood Hills

Ladies and Gentlemen:

By letter dated March 21, 2016, the Village of Shorewood Hills (the "Village"), by Karl Frantz, Village Administrator, has requested that we furnish you with certain information in connection with your audit of the financial statements of the Village as of December 31, 2015, and during the period from that date to the effective date of our response.

Our response is submitted to you subject to the terms and limitations set forth in this letter. You should note carefully that our response may not conform in some respects to the Village's request, and the terms and limitations below may be in addition to, or different from, terms and limitations set forth in the Village's request.

1. **ABA Statement of Policy.** The American Bar Association adopted a Statement of Policy in December, 1975, relating to lawyers' responses to auditors' requests for information (the "Statement of Policy," which term includes the commentary that is an integral part of the Statement of Policy). The Statement of Policy has been furnished to the accounting profession as Exhibit II to the Statement on Auditing Standards No. 12, "Inquiry of a Client's Lawyer Concerning Litigation, Claims, and Assessments," issued by the Auditing Standards Executive Committee of the American Institute of Certified Public Accountants in January, 1976. This letter, and all other communications, written or oral, from our firm to you on the subject matter of this letter are submitted to you subject to all limitations of the Statement of Policy.

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**Madison Office**

222 West Washington Avenue  
P.O. Box 1784  
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53701-1784  
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888.655.4752  
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1200 North Mayfair Road  
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Milwaukee, Wisconsin  
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414.982.2850  
888.655.4752  
Fax 414.982.2889  
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2. **Scope of Our Firm's Engagement.** Our firm has been retained by the Village as its counsel and has performed legal services for the Village on a regular basis since October, 1986. Our consultation and representation have been limited to specific matters as to which we were consulted by the Village. Therefore, we are not familiar with all of the Village's affairs and business activities and the Village may have been, or may be currently, involved in legal matters for which we have had no responsibility or of which we have no knowledge, which legal matters could have a bearing on the Village's financial condition.
3. **Information Acquired in Professional Capacity Only.** Our response is limited to matters involving professional engagement of our firm as counsel to which lawyers in our firm have given substantive attention in the form of legal representation or consultation during the period in question and does not include information received by lawyers in our firm in another role.

In preparing this response, we have made no examination of records or files of the Village; nor have we interviewed any officers or employees of the Village; nor have we made any other investigation of the Village or of any court or other files or records. The information set forth herein is based upon our internal review procedure, consisting of inquiries to individual lawyers within the firm who have given substantive attention, in the form of legal consultation or representation, to legal matters on behalf of the Village. The information set forth herein is as of April 15, 2016, the date on which we commenced our internal review procedure for purposes of preparing this response and we disclaim any undertaking to advise you of changes that thereafter may be brought to our attention.

4. **Contractually Assumed Obligations and Other Loss Contingencies.** Unless requested to comment upon a specified contractually assumed liability or other loss contingency arising from unasserted claims, we are not undertaking to comment upon those types of loss contingencies because we understand that you can satisfy yourself with respect thereto through other audit procedures.

5. **Material Threatened or Pending Litigation, Claims, and Assessments.** Our firm is representing the Village in the following matter involving material threatened or pending litigation, claims, or assessments (excluding unasserted claims and assessments) against the Village:

*Walgreen Co. v. Village of Shorewood Hills*, Dane County Case No. 15-CV-1320. Walgreens has filed a lawsuit against the Village challenging its 2014 and 2015 property tax assessments. Walgreens claims that it is entitled to a refund in the amount of \$31,443.00 for 2014 and \$28,171.00 for 2015. Walgreens has obtained an appraisal. The Village has retained an appraiser as well. The Village has instructed us to vigorously defend this lawsuit.

Not material

6. **Attorneys' Fees and Expenses.** Statements for fees and expenses due our firm for services rendered through November 30, 2015, were given to the Village on December 17, 2015 in amounts totaling \$6,843.17 and as of January 13, 2016, these statements were paid.

Statements for fees and expenses due our firm for services rendered through December 31, 2015, were given to the Village on January 22, 2016 in amounts totaling \$11,483.72, and as of February 15, 2016, these statements were paid.

7. **Unasserted Possible Claims or Assessments.** Consistent with the last sentence of Paragraph 6 of the Statement of Policy, and pursuant to the Village's request, this will confirm as correct the Village's understanding as set forth in its audit inquiry letter to us. The understanding is that whenever in the course of performing legal services for the Village with respect to a matter recognized to involve an unasserted possible claim or assessment against the Village that may call for financial statement disclosure, we have formed a professional conclusion that the Village must disclose, or consider disclosure, concerning such possible claim or assessment, we, as a matter of professional responsibility to the Village, will so advise the Village. In such circumstances, we also will consult with the Village concerning the question of such disclosure and the applicable requirements of Accounting Standards Codification Subtopic 450-20.
8. **Attorney-Client Privilege.** It is our understanding with the Village that, by making the request set forth in its letter to us, the Village does not intend to waive

Baker, Tilly Virchow Krause LLP

April 15, 2016

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the attorney-client privilege with respect to any information that the Village has furnished to us. Moreover, please be advised that our response to you should not be construed to constitute a waiver of the protection of the attorney work-product privilege with respect to any files involving the Village.

9. **Limitation on Use.** This letter is solely for your information in connection with your audit of the financial statements of the Village as of April 15, 2016, and is not to be quoted in whole or in part or otherwise referred to in any financial statement of the Village or related document, nor is it to be filed with any governmental agency or other person, without the prior written consent of our firm.

Very truly yours,

STAFFORD ROSENBAUM LLP

A handwritten signature in blue ink that reads "Shaffard Rosenbaum LLP". The signature is written in a cursive style.

cc: Village of Shorewood Hills  
Karl Frantz, Village Administrator

RESOLUTION NO. R-2016-6  
VILLAGE OF SHOREWOOD HILLS  
DANE COUNTY, WISCONSIN

A RESOLUTION APPROVING A SPECIFIC DEVELOPMENT PLAN FOR  
PROPERTY LOCATED AT 2712 and 2716 MARSHALL COURT

*[Ronald McDonald House]*

**RECITALS**

1. Ronald McDonald House Charities of Madison, Inc., (the “Applicant”), has requested approval of a Specific Development Plan for the property located at 2712 and 2716 Marshall Court (the “Property”), pursuant to Section 10-1-33 (d) of the Village Code of Ordinances.

2. The Specific Development Plan (“SDP”) consists of a set of plans and specifications, entitled “Planned Unit Development – Specific Development Plan Submission,” Project Number 15449-00, dated May 3, 2016, containing the following:

- A. Civil Drawings:
  - (1) Existing conditions
  - (2) Site Plan
  - (3) Grading & Erosion Control Plan
  - (4) Utility Plan
- B. Architectural Drawings:
  - (1) Landscape Plan
  - (2) Planting Plan
  - (3) Roof Plan
  - (4) Lower Level Floor Plan
  - (5) First Floor Plan
  - (6) Second Floor Plan
  - (7) Third Floor Plan

- (8) South Elevation
- (9) West Elevation
- (10) North Elevation
- (11) East Elevation
- (12) Exterior Rendering
- (13) Exterior Rendering

C. Site lighting Drawings:

- (1) Site Lighting Photometric Plan

D. Appendix

- (1) Front Porch Railing Cut Sheet.
- (2) Concrete Retaining Wall Guardian Rail Cut Sheet
- (3) Lighting Cut Sheets

3. On May 10, 2016, the Village Plan Commission reviewed the SDP, and recommended that the SDP be approved.

4. The Village Board agrees with the Plan Commission's recommendation.

### RESOLUTION

NOW THEREFORE the Village Board of the Village of Shorewood Hills, Dane County, Wisconsin resolves as follows:

*Section 1.* The recitals set forth above are material to and are incorporated in this resolution as if set forth in full.

*Section 2.* The SDP is approved, pursuant to section 10-1-33(d) 4 of the Village Code.

*The above and foregoing resolution was duly adopted by the Village Board of the Village of Shorewood Hills at its meeting held on \_\_\_\_\_, 2016, by a vote of \_\_\_\_\_ in favor, \_\_\_\_\_ opposed, and \_\_\_\_\_ not voting.*

APPROVED:

By \_\_\_\_\_  
Mark L. Sundquist, Village President

ATTEST

By \_\_\_\_\_  
Colleen Albrecht, Village Clerk



May 6, 2016

Village of Shorewood Hills Plan Commission  
c/o Karl Frantz  
Village of Shorewood Hills Administrator  
810 Shorewood Blvd.  
Madison, WI 53705-2115

Re: Ronald McDonald House – Planned Unit Development (PUD) – REVISED Specific Development Plan (SDP) Review

Dear Plan Commission Members:

The Village of Shorewood Hills retained Vierbicher to assist with review of the PUD zoning application for the Ronald McDonald House's redevelopment of the "Prest parcel"<sup>1</sup> at 2712 Marshall Court, which falls under Section 10-1-33 of the Village's zoning code. According to the zoning code, the PUD designation was established "to encourage and promote improved environmental and aesthetic design in the Village by allowing for greater design freedom, imagination and flexibility in the development of land while ensuring substantial compliance with the basic intent of [the Zoning Code] and the Village Comprehensive Plan." Design freedom includes variation in required lot area, lot width, building height, floor area ratio (FAR), setbacks, usable open space requirements, signage, and off-street parking requirements. This letter compares the proposed redevelopment with the criteria outlined in the Village's PUD ordinance.

### **Project Overview**

The project proposes to demolish the existing Prest building, which consists of approximately 10,000 square feet of office space on two floors and 23 surface parking stalls. The applicant plans to replace the Prest building with a 13,000 square foot addition to the existing 17,405 square foot Ronald McDonald House (RMH).<sup>2</sup> The proposed addition relocates the front entrance and offices into the new addition and relocates the living rooms, exercise room, play rooms, and movie rooms to the existing building. The addition includes the construction of 16 new or remodeled guest rooms on the second and third floors. The site also contains 16 surface and 21 subgrade parking stalls.

### **Changes From the 2016 Submittal**

The following section outlines the changes to the submittal packet since the April 2016 SDP review.

- Revision to the General Development Plan project narrative;
- Revision parking lot retaining wall to include a stamped stone pattern;
- Revision the Marshall Court "bump out" to include brick inlays;

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<sup>1</sup> The property is referred to as the "Prest parcel" throughout the letter, even though the Ronald McDonald House purchased the property on February 3, 2014.

<sup>2</sup> The total for the existing building includes the basement; the total for the addition does not include the under building parking.

- Revision to the lighting plan to reduce the lighting standard height to 15 feet and add an additional fixture;
- Revision to the building and site plans to add additional handicapped spaces to the subgrade parking level;
- Revision to the landscaping plan to comply with most of the Vierbicher recommendations; and
- Revision to the narrative to limit the parking areas to RMD House guests, employees, and employees of businesses located along Marshall Court.

### **PUD Ordinance Review**

The Village zoning ordinance outlines criteria for approval to be used by the Plan Commission and the Village Board when reviewing a PUD proposal. The criteria are:

*10-1-33(c)(1) Character and Intensity of Land Use. A PUD's uses and intensity, appearance and arrangement shall:*

*10-1-33(c)(1)(a) Be compatible with the physical nature of the site or area.*

The proposal is in compliance with the Zoning Code requirements.

*10-1-33(c)(1)(b) Produce an attractive environment of sustained aesthetic desirability, economic stability, and functional compatibility with the Village Comprehensive Plan.*

There were no changes to building design changes since the initial SDP review. Therefore, the SDP application is still in compliance with the Zoning Code requirements.

*10-1-33(c)(1)(c) Not adversely affect the anticipated provision for school or other municipal services unless jointly resolved.*

The SDP application is in compliance with the Zoning Code requirements.

*10-1-33(c)(1)(d) Not create a utility, traffic, or parking demand incompatible with the existing or proposed facilities to serve it unless jointly resolved.*

#### *Parking*

Since the initial SDP review, the applicant designated additional handicapped parking stalls in the subgrade parking structure. There are three handicapped stalls for the 37 spaces; therefore, the SDP application is in compliance with the Zoning Code and ADA requirements.

#### *Traffic Impacts*

The SDP application is in compliance with the Zoning Code requirements.

#### *Utility Impacts*

The Village Engineer will review the SDP submittal and will provide the findings separate from this review.

*10-1-33(c)(1)(e) Economic Impact. A proposed PUD shall not adversely affect the economic prosperity of the Village or surrounding properties.*

RMH recently entered into an agreement with the Village to account for the loss of future tax revenue after the completion of the expansion. Therefore, the SDP application is in compliance with the Doctor's Park Neighborhood Plan and the Zoning Code requirements.

*10-1-33(c)(2) Preservation and maintenance of open space. A PUD shall make adequate provision for the improvement and continuing preservation and maintenance of attractive open space.*

The SDP application is in compliance with the Zoning Code requirements.

*10-1-33(c)(3) Implementation schedule. A PUD shall include suitable assurances that each phase could be completed in a manner which would not result in an adverse effect upon the community as a result of termination at that point.*

The SDP application is in compliance with the Zoning Code requirements.

*10-1-33(c)(4) Adherence to Comprehensive Plan. A PUD shall further the Village Comprehensive Plan.*

The SDP application is in compliance with the Doctor's Park Neighborhood Plan and Village Comprehensive Plan.

### **Specific Development Plan (SDP) Review**

A submitted SDP shall conform to the requirements of Section 10-1-108 (Development Plan Requirements) of the Zoning Code. The review of each section is listed below.

*10-1-108(a) Property boundary survey prepared by a registered land surveyor, indication of the scale (at least 1" = 40'), bar scale, north arrow, vicinity map (not to scale), total site size in acres and square feet, name of owner or applicant and address and telephone number.*

The applicant will submit a CSM before commencing construction in 2020. This was at the advice and directive of the Plan Commission at the April 12, 2016, meeting.

*10-1-108(b) Legal description.*

The application did not include a legal description. The applicant should submit a combination CSM containing the legal description.

The applicant will submit a CSM before commencing construction in 2020. This was at the advice and directive of the Plan Commission at the April 12, 2016 meeting.

*10-1-108(c) Existing and proposed adjacent and subject site Zoning Districts.*

Adjacent zoning districts are as follows:

- First Unitarian Society: R-2 Single-Family Residence District
- Shackleton Square: R-4 Multiple-Family Residence District
- South and east sides of the subject site: C-3 Medical Office-Commercial District and PUD Planned Unit Development District

*10-1-108(d) Existing and proposed principal and accessory uses.*

The SPD application packet included the revised project narrative and description of the proposed uses.

*10-1-108(e) Dimensions and square feet of each existing and proposed lot*

The applicant will submit a CSM before commencing construction in 2020. This was at the advice and directive of the Plan Commission at the April 12, 2016 meeting.

*10-1-108(f) Location, height, dimensions, exterior materials and colors of each existing and proposed Building*

The SDP application is in compliance with the Doctor's Park Neighborhood Plan and the Zoning Code requirements.

*10-1-108(g) Distance from each existing and proposed building to the nearest lot line.*

The SDP application is in compliance with the Doctor's Park Neighborhood Plan and the Zoning Code requirements.

*10-1-108(h) Location, size and type of all existing and proposed utility lines and structures.*

The SDP application is in compliance with the Zoning Code requirements.

*10-1-108(i) Location, size and dimensions of existing and proposed common areas, easements, and other specially designated areas.*

The landscaping plans illustrate the proposed improvements to the rear yard landscaping and the expanded street-facing patio; therefore, the SDP application is in compliance with the Zoning Code requirements.

*10-1-108(j) Location and dimensions of all existing and proposed walkways, sidewalks, and trails.*  
The site plans illustrate the proposed changes to the Marshall Court crossing in accordance with the Doctor's Park Neighborhood Plan.

*10-1-108(k) Location, width of right-of-way and roadway surface, name and designation as public or private of adjacent existing and proposed driveways, streets, alleys and roadways.*  
The SDP application is in compliance with the Zoning Code requirements.

*10-1-108(l) Location, size, dimensions, type, material and color of existing and proposed signs.*  
The application did not include a signage plan; however, the Village's PUD rezoning request application form states that a signage plan may be submitted at a later date.

*10-1-108(m) Location, size, dimensions and type of fixtures of existing and proposed lighting standards.*  
The applicant reduced the height of the lighting standard to 15 feet and will present options for a lower bulb temperature at the Plan Commission meeting.

*10-1-108(n) Page and volume number of any recorded easements or covenants and a note describing their effect on the use of the site. Proposed easement and covenants shall be submitted with the plan.*  
The application packet did include a survey of the site easements; however, a technical review of a submitted CSM would verify that all easements are identified. The applicant will submit a CSM before commencing construction in 2020. This was at the advice and directive of the Plan Commission at the April 12, 2016 meeting.

*10-1-108(o) Grading and drainage plan*  
The application packet did include a grading and erosion control plan. The applicant will submit a final stormwater report before commencing construction in 2020. This was at the advice and directive of the Plan Commission at the April 12, 2016 meeting.

*10-1-108(p) Off-street parking areas including the information required in Section 10-1-70(b)(1) of the Zoning Code.*  
The applicant stated in the cover letter and the revised narrative that parking will be limited to on-site guests/employees or Marshall Court employees to avoid the increased traffic and parking that result from off-site uses such as the UW Hospital. This should be a strict condition of approval on the SDP application.

*10-1-108(q) Landscaping plan including the information required in Section 10-1-70(b)(1)(g) of the Zoning Code.*  
The applicant revised the landscape plan to address the majority of the staff and Plan Commission comments.

### **Summary of Final Comments/Recommendations**

To review a complete application Vierbicher recommends the applicant should:

1. Submit additional stormwater and CSM details before final SDP approval and commencing construction in 2020.
2. Provide additional lighting fixture temperature details as requested by the Plan Commission.

May 6, 2016  
Page 5

I will attend the Plan Commission meeting to answer any questions regarding this letter. If you have questions or comments before the Plan Commission meeting, please feel free to contact me at (608) 821-3967, or by e-mail at [dlin@vierbicher.com](mailto:dlin@vierbicher.com).

Sincerely,

A handwritten signature in black ink, appearing to read 'D. Lindstrom', followed by a horizontal line extending to the right.

Daniel J Lindstrom, AICP

G:\DATA\COMM.DEV\Shorewood Hills\12097043 TID 3 Admin\Tsk 15 Ronald McDonald House Review (2016)\3. Review Letters\Task 15 - Review Letter RMD House (Updated 05.06.2016) - SDP.doc

**VILLAGE OF SHOREWOOD HILLS  
RESOLUTION NO. R-2016-7  
APPROVING 2015 COMPLIANCE MAINTENANCE ANNUAL REPORT**

**BE IT RESOLVED**, that the Village of Shorewood Hills Board, hereby approves the 2015 Compliance Maintenance Annual Report.

**ADOPTED** by the Village of Shorewood Hills Board at a duly scheduled meeting on June 27, 2016.

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Mark L. Sundquist, Village President

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Colleen Albrecht, Village Clerk

# Compliance Maintenance Annual Report

Shorewood Hills Village

Last Updated: Reporting For:  
6/24/2016 2015

## Financial Management

<p>1. Provider of Financial Information</p> <p>Name: <input style="width: 150px;" type="text" value="COLLEEN"/></p> <p>Telephone: <input style="width: 150px;" type="text" value="608-267-2680"/> (XXX) XXX-XXXX</p> <p>E-Mail Address (optional): <input style="width: 300px;" type="text" value="COKIE@SHOREWOOD-HILLS.ORG"/></p>																									
<p>2. Treatment Works Operating Revenues</p> <p>2.1 Are User Charges or other revenues sufficient to cover O&amp;M expenses for your wastewater treatment plant AND/OR collection system ?</p> <p><input checked="" type="radio"/> Yes (0 points)</p> <p><input type="radio"/> No (40 points)</p> <p>If No, please explain:</p> <div style="border: 1px solid black; height: 20px; width: 100%;"></div> <p>2.2 When was the User Charge System or other revenue source(s) last reviewed and/or revised?</p> <p>Year: <input style="width: 80px;" type="text" value="2016"/></p> <p><input checked="" type="radio"/> 0-2 years ago (0 points)</p> <p><input type="radio"/> 3 or more years ago (20 points)</p> <p><input type="radio"/> N/A (private facility)</p> <p>2.3 Did you have a special account (e.g., CWFP required segregated Replacement Fund, etc.) or financial resources available for repairing or replacing equipment for your wastewater treatment plant and/or collection system?</p> <p><input checked="" type="radio"/> Yes (0 points)</p> <p><input type="radio"/> No (40 points)</p>	0																								
<p>REPLACEMENT FUNDS [PUBLIC MUNICIPAL FACILITIES SHALL COMPLETE QUESTION 3]</p>																									
<p>3. Equipment Replacement Funds</p> <p>3.1 When was the Equipment Replacement Fund last reviewed and/or revised?</p> <p>Year: <input style="width: 100px;" type="text"/></p> <p><input type="radio"/> 1-2 years ago (0 points)</p> <p><input type="radio"/> 3 or more years ago (20 points)</p> <p><input checked="" type="radio"/> N/A</p> <p>If N/A, please explain:</p> <div style="border: 1px solid black; padding: 5px; margin-top: 5px;"> <p>The Village of Shorewood Hills does not own a wastewater treatment plant. It is a member of the Madison Metropolitan Sewage District (MMSD) which handles its wastewater at Nine Springs. The Village's system consists solely of conveyance lines to the MMSD treatment facility.</p> </div> <p>3.2 Equipment Replacement Fund Activity</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 60%;">3.2.1 Ending Balance Reported on Last Year's CMAR</td> <td style="width: 10%; text-align: right;">\$</td> <td style="width: 30%; text-align: right;"><input style="width: 100%; text-align: right;" type="text" value="0.00"/></td> </tr> <tr> <td>3.2.2 Adjustments - if necessary (e.g. earned interest, audit correction, withdrawal of excess funds, increase making up previous shortfall, etc.)</td> <td style="text-align: right;">\$</td> <td style="text-align: right;"><input style="width: 100%; text-align: right;" type="text" value="0.00"/></td> </tr> <tr> <td>3.2.3 Adjusted January 1st Beginning Balance</td> <td style="text-align: right;">\$</td> <td style="text-align: right;"><input style="width: 100%; text-align: right;" type="text" value="0.00"/></td> </tr> <tr> <td>3.2.4 Additions to Fund (e.g. portion of User Fee, earned interest, etc.)</td> <td style="text-align: right;">\$</td> <td style="text-align: right;"><input style="width: 100%; text-align: right;" type="text" value="0.00"/></td> </tr> <tr> <td style="text-align: right;">+</td> <td></td> <td></td> </tr> <tr> <td>3.2.5 Subtractions from Fund (e.g., equipment replacement, major repairs - use description box 3.2.6.1 below*)</td> <td style="text-align: right;">\$</td> <td style="text-align: right;"><input style="width: 100%; text-align: right;" type="text" value="0.00"/></td> </tr> <tr> <td style="text-align: right;">-</td> <td></td> <td></td> </tr> <tr> <td>3.2.6 Ending Balance as of December 31st for CMAR Reporting Year</td> <td></td> <td style="text-align: right;"><input style="width: 100%; text-align: right;" type="text" value="0.00"/></td> </tr> </table>	3.2.1 Ending Balance Reported on Last Year's CMAR	\$	<input style="width: 100%; text-align: right;" type="text" value="0.00"/>	3.2.2 Adjustments - if necessary (e.g. earned interest, audit correction, withdrawal of excess funds, increase making up previous shortfall, etc.)	\$	<input style="width: 100%; text-align: right;" type="text" value="0.00"/>	3.2.3 Adjusted January 1st Beginning Balance	\$	<input style="width: 100%; text-align: right;" type="text" value="0.00"/>	3.2.4 Additions to Fund (e.g. portion of User Fee, earned interest, etc.)	\$	<input style="width: 100%; text-align: right;" type="text" value="0.00"/>	+			3.2.5 Subtractions from Fund (e.g., equipment replacement, major repairs - use description box 3.2.6.1 below*)	\$	<input style="width: 100%; text-align: right;" type="text" value="0.00"/>	-			3.2.6 Ending Balance as of December 31st for CMAR Reporting Year		<input style="width: 100%; text-align: right;" type="text" value="0.00"/>	
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# Compliance Maintenance Annual Report

Shorewood Hills Village

Last Updated: Reporting For:  
6/24/2016 2015

	\$	0.00									
<p>All Sources: This ending balance should include all Equipment Replacement Funds whether held in a bank account(s), certificate(s) of deposit, etc.</p> <p>3.2.6.1 Indicate adjustments, equipment purchases, and/or major repairs from 3.2.5 above.</p> <div style="border: 1px solid black; padding: 5px;"> <p>Per #3.1 above, Shorewood Hills does not have a sewage treatment facility and therefore does not need a replacement fund.</p> </div> <p>3.3 What amount should be in your Replacement Fund? \$ <span style="border: 1px solid black; padding: 2px 10px;">0.00</span></p> <p>Please note: If you had a CWFP loan, this amount was originally based on the Financial Assistance Agreement (FAA) and should be regularly updated as needed. Further calculation instructions and an example can be found by clicking the HELP link under Info in the left-side menu.</p> <p>3.3.1 Is the December 31 Ending Balance in your Replacement Fund above, (#3.2.6) equal to, or greater than the amount that should be in it (#3.3)?</p> <p><input type="radio"/> Yes</p> <p><input checked="" type="radio"/> No</p> <p>If No, please explain.</p> <div style="border: 1px solid black; padding: 5px;"> <p>Not applicable, per #3.1</p> </div>											
0											
<p>4. Future Planning</p> <p>4.1 During the next ten years, will you be involved in formal planning for upgrading, rehabilitating, or new construction of your treatment facility or collection system?</p> <p><input checked="" type="radio"/> Yes - If Yes, please provide major project information, if not already listed below.</p> <p><input type="radio"/> No</p> <table border="1" style="width: 100%; border-collapse: collapse; margin-top: 10px;"> <thead> <tr> <th style="width: 10%;">Project #</th> <th style="width: 60%;">Project Description</th> <th style="width: 15%;">Estimated Cost</th> <th style="width: 15%;">Approximate Construction Year</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">1</td> <td>Shorewood Hills anticipates repairs to the sewer mains on the west side of the Village as needed over the next 10 years.</td> <td style="text-align: center;">150,000.</td> <td style="text-align: center;">2020</td> </tr> </tbody> </table>				Project #	Project Description	Estimated Cost	Approximate Construction Year	1	Shorewood Hills anticipates repairs to the sewer mains on the west side of the Village as needed over the next 10 years.	150,000.	2020
Project #	Project Description	Estimated Cost	Approximate Construction Year								
1	Shorewood Hills anticipates repairs to the sewer mains on the west side of the Village as needed over the next 10 years.	150,000.	2020								
<p>5. Financial Management General Comments</p> <div style="border: 1px solid black; height: 20px; width: 100%;"></div>											

Total Points Generated	
Score (100 - Total Points Generated)	
Section Grade	

# Compliance Maintenance Annual Report

Shorewood Hills Village

Last Updated: Reporting For:  
6/24/2016 2015

## Sanitary Sewer Collection Systems

### 1. CMOM Program

1.1 Do you have a Capacity, Management, Operation & Maintenance (CMOM) requirement in your WPDES permit?

- Yes
- No

1.2 Did you have a documented (written records/files, computer files, video tapes, etc.) sanitary sewer collection system operation & maintenance (O&M) or CMOM program last calendar year?

- Yes (Continue with question 1)
- No (30 points) (Go to question 2)

1.3 Check the elements listed below that are included in your O&M or CMOM program.

Goals

Describe the specific goals you have for your collection system:

clean 20% of sanitary lines next year. tv problem spots

replace any street non man holes that may have been missed

start replacing off street non-sealed man hole lids

Organization

Do you have the following written organizational elements (check only those that apply)?

- Ownership and governing body description
- Organizational chart
- Personnel and position descriptions
- Internal communication procedures
- Public information and education program

Legal Authority

Do you have the legal authority for the following (check only those that apply)?

- Sewer use ordinance Last Revised Date (MM/DD/YYYY)
- Pretreatment/industrial control Programs
- Fat, oil and grease control
- Illicit discharges (commercial, industrial)
- Private property clear water (sump pumps, roof or foundation drains, etc.)
- Private lateral inspections/repairs
- Service and management agreements

Maintenance Activities (provide details in question 2)

Design and Performance Provisions

How do you ensure that your sewer system is designed and constructed properly?

- State plumbing code
- DNR NR 110 standards
- Local municipal code requirements
- Construction, inspection, and testing
- Others:

Overflow Emergency Response Plan:

Does your emergency response capability include (check only those that apply)?

- Alarm system and routine testing
- Emergency equipment
- Emergency procedures
- Communications/notifications (DNR, internal, public, media, etc.)

# Compliance Maintenance Annual Report

Shorewood Hills Village

Last Updated: Reporting For:  
6/24/2016 2015

Capacity Assurance:

How well do you know your sewer system? Do you have the following?

- Current and up-to-date sewer map
- Sewer system plans and specifications
- Manhole location map
- Lift station pump and wet well capacity information
- Lift station O&M manuals

Within your sewer system have you identified the following?

- Areas with flat sewers
- Areas with surcharging
- Areas with bottlenecks or constrictions
- Areas with chronic basement backups or SSOs
- Areas with excess debris, solids, or grease accumulation
- Areas with heavy root growth
- Areas with excessive infiltration/inflow (I/I)
- Sewers with severe defects that affect flow capacity
- Adequacy of capacity for new connections
- Lift station capacity and/or pumping problems
- Annual Self-Auditing of your O&M/CMOM Program to ensure above components are being implemented, evaluated, and re-prioritized as needed
- Special Studies Last Year (check only those that apply):
  - Infiltration/Inflow (I/I) Analysis
  - Sewer System Evaluation Survey (SSES)
  - Sewer Evaluation and Capacity Management Plan (SECAP)
  - Lift Station Evaluation Report
  - Others:

0

2. Operation and Maintenance

2.1 Did your sanitary sewer collection system maintenance program include the following maintenance activities? Complete all that apply and indicate the amount maintained.

Cleaning	<input type="text" value="30"/>	% of system/year
Root removal	<input type="text" value="20"/>	% of system/year
Flow monitoring	<input type="text" value="0"/>	% of system/year
Smoke testing	<input type="text" value="0"/>	% of system/year
Sewer line televising	<input type="text" value="10"/>	% of system/year
Manhole inspections	<input type="text" value="30"/>	% of system/year
Lift station O&M	<input type="text" value="0"/>	# per L.S./year
Manhole rehabilitation	<input type="text" value="8.7"/>	% of manholes rehabbed
Mainline rehabilitation	<input type="text" value="0"/>	% of sewer lines rehabbed
Private sewer inspections	<input type="text" value="0"/>	% of system/year
Private sewer I/I removal	<input type="text" value="0"/>	% of private services

Please include additional comments about your sanitary sewer collection system below:

# Compliance Maintenance Annual Report

Shorewood Hills Village

Last Updated: Reporting For:  
6/24/2016 2015

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### 3. Performance Indicators

3.1 Provide the following collection system and flow information for the past year.

39.29	Total actual amount of precipitation last year in inches
36.55	Annual average precipitation (for your location)
9	Miles of sanitary sewer
1	Number of lift stations
0	Number of lift station failures
1	Number of sewer pipe failures
1	Number of basement backup occurrences
2	Number of complaints
	Average daily flow in MGD (if available)
	Peak monthly flow in MGD (if available)
	Peak hourly flow in MGD (if available)

3.2 Performance ratios for the past year:

0.00	Lift station failures (failures/year)
0.11	Sewer pipe failures (pipe failures/sewer mile/yr)
0.00	Sanitary sewer overflows (number/sewer mile/yr)
0.11	Basement backups (number/sewer mile)
0.22	Complaints (number/sewer mile)
	Peaking factor ratio (Peak Monthly: Annual Daily Avg)
	Peaking factor ratio (Peak Hourly: Annual Daily Avg)

### 4. Overflows

LIST OF SANITARY SEWER (SSO) AND TREATMENT FACILITY (TFO) OFERFLOWS REPORTED **				
	Date	Location	Cause	Estimated Volume (MG)
None reported				

\*\* If there were any SSOs or TFOs that are not listed above, please contact the DNR and stop work on this section until corrected.

### 5. Infiltration / Inflow (I/I)

5.1 Was infiltration/inflow (I/I) significant in your community last year?

- Yes
- No

If Yes, please describe:

--

5.2 Has infiltration/inflow and resultant high flows affected performance or created problems in your collection system, lift stations, or treatment plant at any time in the past year?

- Yes
- No

If Yes, please describe:

--

5.3 Explain any infiltration/inflow (I/I) changes this year from previous years:

# Compliance Maintenance Annual Report

Shorewood Hills Village

Last Updated: Reporting For:  
6/24/2016 2015

sealing the manhole lids
5.4 What is being done to address infiltration/inflow in your collection system?
sealing manhole lids

Total Points Generated	0
Score (100 - Total Points Generated)	100
Section Grade	A

# Compliance Maintenance Annual Report

Shorewood Hills Village

Last Updated: Reporting For:  
6/24/2016 2015

## Grading Summary

WPDES No: 0047341

SECTIONS	LETTER GRADE	GRADE POINTS	WEIGHTING FACTORS	SECTION POINTS
Financial				
Collection	A	4	3	12
TOTALS			3	12
GRADE POINT AVERAGE (GPA) = 4.00				

### Notes:

- A = Voluntary Range (Response Optional)
- B = Voluntary Range (Response Optional)
- C = Recommendation Range (Response Required)
- D = Action Range (Response Required)
- F = Action Range (Response Required)

# Compliance Maintenance Annual Report

Shorewood Hills Village

Last Updated: Reporting For:  
6/24/2016 2015

## Resolution or Owner's Statement

Name of Governing

Body or Owner:

Village of Shorewood Hills

Date of Resolution or

Action Taken:

06/27/2016

Resolution Number:

R-2016-7

Date of Submittal:

ACTIONS SET FORTH BY THE GOVERNING BODY OR OWNER RELATING TO SPECIFIC CMAR SECTIONS (Optional for grade A or B. Required for grade C, D, or F):

Financial Management: Grade =

Collection Systems: Grade = A

(Regardless of grade, response required for Collection Systems if SSOs were reported)

ACTIONS SET FORTH BY THE GOVERNING BODY OR OWNER RELATING TO THE OVERALL GRADE POINT AVERAGE AND ANY GENERAL COMMENTS

(Optional for G.P.A. greater than or equal to 3.00, required for G.P.A. less than 3.00)

G.P.A. = 4.00

# Chapter 18

## PUBLIC NUISANCES



- 18.01 Public Nuisances Prohibited
- 18.02 Public Nuisances Defined
- 18.03 Public Nuisances Offending Morals and Decency
- 18.04 Public Nuisances Affecting Peace and Safety
- 18.05 Junk, Certain Vehicles, Recreational Equipment, and Firewood
- 18.06 Noxious Weed Control
- 18.07 Plant Pest and Disease Control
- 18.08 Abatement of Public Nuisances

**18.01 Public Nuisances Prohibited.** No person may erect, contrive, cause, continue, maintain, or permit to exist any public nuisance within the Village.

**18.02 Public Nuisances Defined.** A public nuisance is a thing, act, occupation, or condition or use of property that shall continue for such length of time as to:

- (1) Substantially annoy, injure, or endanger the comfort, health, repose, or safety of the public;
- (2) In any way render the public insecure in life or the use of property;
- (3) Greatly offend the public morals or decency;
- (4) Unlawfully and substantially interfere with, obstruct or tend to obstruct, or render dangerous for passage any street, alley, highway, sidewalk, navigable body of water, or other public way or the use of public property.

**18.03 Public Nuisances Offending Morals and Decency.** The following acts, omissions, places, conditions, and things are hereby specifically declared to be public nuisances offending public morals and decency, but such enumeration shall not be construed to exclude other nuisances offending public morals and decency coming within the definition of section 18.02.

- (1) Disorderly Houses as defined in Wis. Stats. §823.10.
- (2) Gambling as defined in Wis. Stats. §823.20.
- (3) Unlicensed sale of Liquor and Beer as defined in Wis. Stats. §125.04.
- (4) Drug or Criminal Houses as defined in Wis. Stats. §823.113.
- (5) Continuous Violation of Village Ordinances. Any place or premises where Village ordinances or state laws relating to public health, safety, peace, morals, or welfare

are openly, continuously, repeatedly, and intentionally violated.

**18.04 Public Nuisances Affecting Peace and Safety.** Without limitation the following acts, omissions, places, conditions, and things are hereby specifically declared to be public nuisances affecting peace and safety within the definition of section 18.02.

- (1) **Dangerous Trees.** All trees that are injurious to public health or safety because of a disease or a damaged condition.
- (2) **Wires and Cables over Streets.** All wires and cables over streets, alleys, or public grounds that are strung less than 15 feet above the surface thereof.
- (3) **Noisy Animals or Fowl.** The keeping or harboring of any animal or fowl that, by frequent or habitual howling, yelping, barking, crowing, or making of other noises, shall annoy or disturb a neighborhood or persons within the Village.
- (4) **Open Pits, etc.** All open and unguarded pits, wells, or excavations.
- (5) **Abandoned Refrigerators.** All abandoned refrigerators, freezers, or iceboxes from which the doors and other covers have not been removed or which are not equipped with a device for opening from the inside.
- (6) **Obnoxious Odors.** Any source of odor that causes offensive, obnoxious or foul odors which impair the reasonable use and enjoyment of surrounding properties. An odor source is determined to be obnoxious if four (4) or more residents no two of which are related nor living in the same household identify an odor as obnoxious within a twenty-four (24) hour period.
- (7) **Outdoor Solid Fuel Fire Heating Device or Solid Fuel Unit.** All outdoor solid fuel fire heating devices or solid fuel units. An "outdoor solid fuel fire heating device or solid fuel unit" is defined as "an outdoor device or structure designed for solid fuel combustion for the purpose of providing indoor heat to a residence or other building, including, but not limited to, solid fuel fired stoves and combination fuel furnaces or boilers which burn solid fuel (such as wood or coal)." A solid fuel fire heating device or solid fuel unit is considered outdoor if it is not located inside a one- or two-family dwelling unit, thereby making the solid fuel fire heating device or solid fuel unit subject to the Wisconsin Uniform Dwelling Code.

**18.05 Junk, Certain Vehicles, Recreational Equipment, and Firewood.**

- (1) Without limitation the following are hereby declared to be public nuisances wherever they may be found in the Village:
  - (a) Any motor vehicle, truck body, tractor, or trailer as enumerated in subsections (3) and (4) below;
  - (b) Any junk stored contrary to subsection (5) below;
  - (c) Any recreational equipment stored contrary to subsection (6) below; and

- (d) Firewood stored contrary to (7) below.
- (2) **Definitions.** The words, phrases, and terms used in this subsection shall be interpreted as follows:
- (a) *Disassembled, Inoperable, Junked, or Wrecked Motor Vehicles, Truck Bodies, Tractors, Trailers.* Vehicles that are in such state of physical or mechanical ruin as to be incapable of propulsion or being operated upon the streets.
  - (b) *Unlicensed Motor Vehicles, Truck Bodies, Tractors, or Trailers.* Vehicles that do not bear lawful, current license plates.
  - (c) *Motor Vehicles.* As defined in Wis. Stats.
  - (d) *Junk.* Worn out or discarded material of little or no value including but not limited to household appliances or parts thereof, machinery and equipment or parts thereof, vehicles or parts thereof, tools, discarded building materials, or any other unsightly debris, the accumulation of which has an adverse effect upon the neighborhood or Village property values, health, safety, or general welfare.
  - (e) *Recreation Equipment.* Equipment such as boats, boat and utility trailers, mobile homes, campers, off-highway vehicles and snowmobiles.
  - (f) *In the open* is upon land that may be viewed from a public street or an adjoining property.
- (3) **Storage of Inoperable Vehicles, etc.**
- (a) No person may accumulate, store, or allow any disassembled, inoperable, junked, or wrecked motor vehicles, truck bodies, tractors, or trailers in the open upon any public or private property for a period exceeding ten days.
  - (b) *Exemptions.* The following exemption applies: Any business engaged in automotive sales or repair located in a properly zoned district may retain no more than three disassembled or wrecked vehicles, including vehicles under repair, in the open for a period not to exceed thirty days, after which such vehicles shall be removed.
- (4) **Storage of Unlicensed Vehicles.** No person may accumulate, store, or allow any unlicensed motor vehicle, truck body, tractor, or trailer in the open upon any public or private property for a period exceeding ten days.
- (b) *Exemptions.* The following exemptions apply:
    1. Any business engaged in the repair or storage of such unlicensed vehicles in a properly zoned district;
    2. Garden tractors and mowers stored in the rear yard not less than ten feet away from any property line.

Comment [d1]: Outline numbering error

- (5) **Storage of Junk Prohibited.** No person may accumulate, store, or allow any junk outside of any building on any public or private property.
- (6) **Storage of Recreational Equipment Regulated.** No person may store any recreational equipment on any street right-of-way or within the front setback, including the driveway, for a period of time exceeding forty-eight hours.
- (7) **Storage of Firewood.** No person may store firewood on any residential premises except for use on the premises.
- (8) **Variance.** In the event that any person encounters great practical difficulty in complying with the provisions of subsections (6) and (7) above because of lot size, location of buildings, or other topography, such person may file an application for a variance with the administrator on a form supplied by the administrator. The administrator shall review the application and the premises before granting or denying the application.
  - (a) *Limitations.* Any variance granted by the administrator shall be limited as follows: Recreation vehicles may be parked in the driveway within the front setback between May 1 and September 15 of each year, provided that any public right-of-way is not blocked.
  - (b) *Appeal.* Any person aggrieved by any determination of the administrator under this subsection may file a written appeal to the Village Board within thirty days of the administrator's determination.
- (9) **Issuance of Citation; Action to Abate.** Whenever the administrator or the police chief shall find any such vehicle, junk or recreational equipment, as defined in subsection (2) above, accumulated, stored, or remaining in the open contrary to the provisions of subsection (3), (4), (5), or (6) above or firewood stored contrary to subsection (7) above, he or she shall notify the owner of the property on which such vehicle, junk, recreation equipment, or firewood is located of the violation of this section. If such vehicle, junk, recreation equipment, or firewood is not removed in ten days, the administrator or the police chief shall cause a citation to be issued to the property owner or the occupant of the property upon which such vehicle, junk, recreation equipment, or firewood is located. In addition, an action to abate such nuisance may be commenced as provided in section 18.08.

#### 18.06 Noxious Weed Control

- (1) **Noxious Weeds and Rank Growth Prohibited.** The Village elects to adopt provisions of Wis. Stats. in enforcement of prohibition of noxious weeds.
- (2) **Noxious Weed Means** Canada thistle, leafy spurge, field bindweed, garlic mustard, Japanese knotweed, burdock and poison ivy.
- (3) **Weed Commissioner.** The Village shall appoint a weed commissioner in accordance with section 1.03 of this Code.

#### 18.07 Plant Pest and Disease Control. The Village elects to adopt the provisions of Wis. Stats.

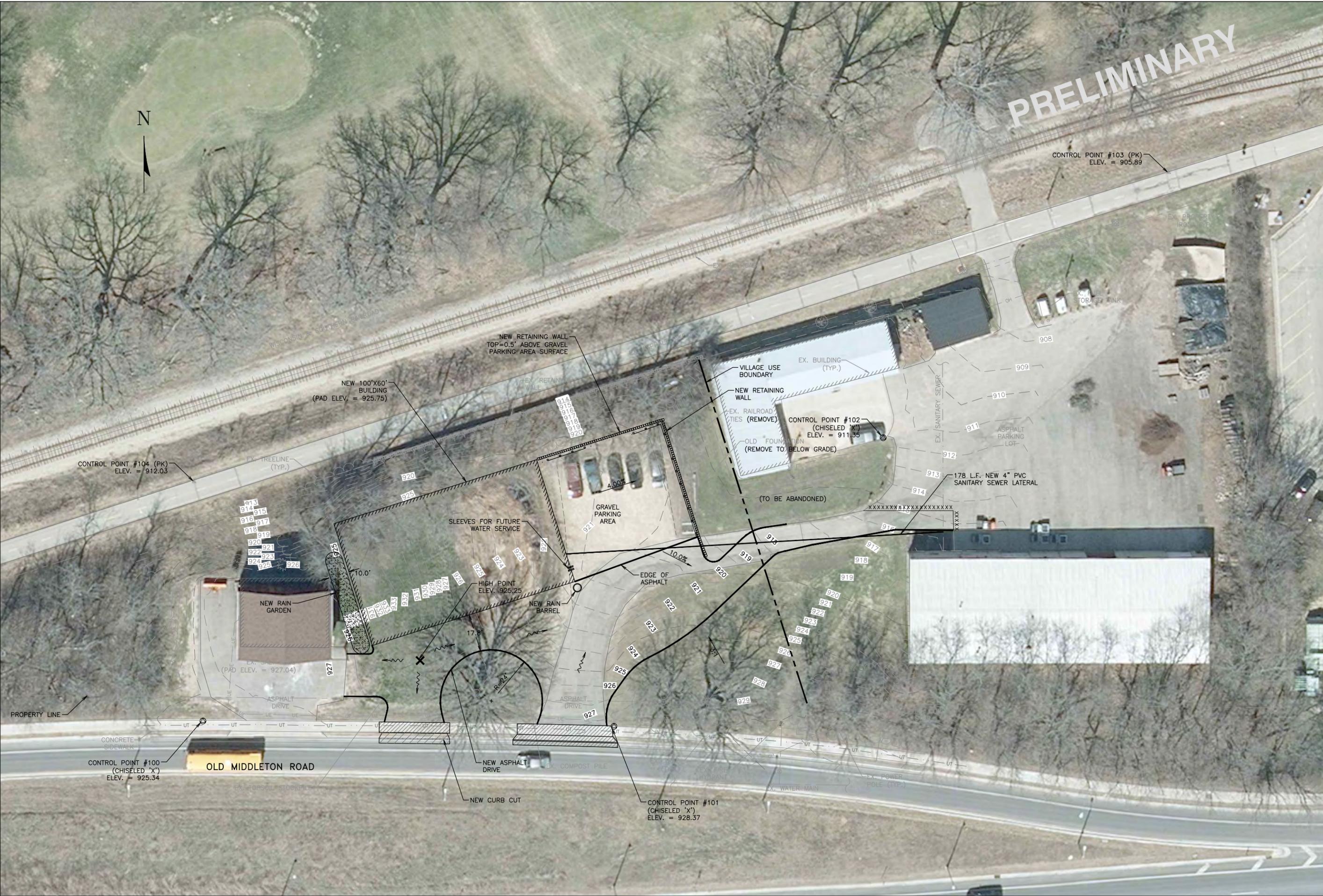
§94.01 and §94.02 in regard to the control of plant pests in the Village.

### 18.08 Abatement of Public Nuisances.

- (1) **Enforcement.** It shall be the duty of the police chief, the fire chief, the administrator, the Village forester, and the weed commissioner to enforce those provisions of this Chapter that come within the jurisdiction of their respective offices, including the issuance of citations. They shall make inspections upon complaint to insure that such provisions are not violated. No action shall be taken under this section to abate a public nuisance unless the officer shall have inspected or caused to be inspected the premises where the nuisance is alleged to exist and is satisfied that a nuisance does exist.
- (2) **Summary Abatement.**
  - (a) *Notice to Owner.* If the inspecting officer determines that a public nuisance exists and that there is a great and immediate danger to the public health, safety, peace, morals, or decency, the administrator may direct the police chief to serve notice on the person causing, permitting, or maintaining such nuisance or upon the owner or occupant of the premises to abate or remove such nuisance within twenty-four hours and shall state that unless such nuisance is so abated, the Village shall cause the same to be abated and will charge the cost thereof to the owner, occupant, or person causing, permitting or maintaining the nuisance, as the case may be.
  - (b) *Abatement by the Village.* If the nuisance is not abated within the time provided, or if the owner, occupant, or person causing the nuisance cannot be found, the officer having the duty of enforcement shall cause the abatement or removal of such public nuisance.
- (3) **Abatement by Court Action.** If the inspecting officer shall determine that a public nuisance exists on private premises, but that the nature of the nuisance is not such as to threaten great and immediate danger to the public health, safety, peace, morals, or decency, as provided under section 18.08(2)(a) of this Code, the officer shall serve notice on the person causing or maintaining the nuisance and the owner of the property to remove the same within ten days, unless otherwise provided in this Chapter. If such nuisance is not removed within ten days, the officer shall report such fact to the administrator, who may direct the Village attorney to commence an action in circuit court for the abatement of the nuisance.
- (4) **Other Methods Not Excluded.** Nothing in this Chapter shall be construed as prohibiting abatement of public nuisances by the Village or its officials in accordance with the laws of the state of Wisconsin, nor as prohibiting an action to be commenced in the circuit court seeking a forfeiture.
- (5) **Cost of Abatement.** In addition to any other penalty imposed by this Chapter for the erection, contrivance, creation, continuation, or maintenance of a public nuisance, the costs of abating a public nuisance by the Village shall be collected

as a debt from the owner, occupant, or person causing, permitting, or maintaining the nuisance, and if the notice to abate the nuisance has been given to the owner, such costs shall be assessed against the real estate as a special charge in accordance with Wis. Stats. §66.60(16). In addition, the costs of abatement may be collected according to Wis. Stats. §823.06.

PRELIMINARY



2912 Marketplace Drive  
Suite 103  
Madison, WI 53719  
(608) 273-3350  
www.tceingineers.net

SITE PLAN

2016 STREET AND UTILITY IMPROVEMENTS  
Cold Storage Facility  
Village of Shorewood Hills, Wisconsin

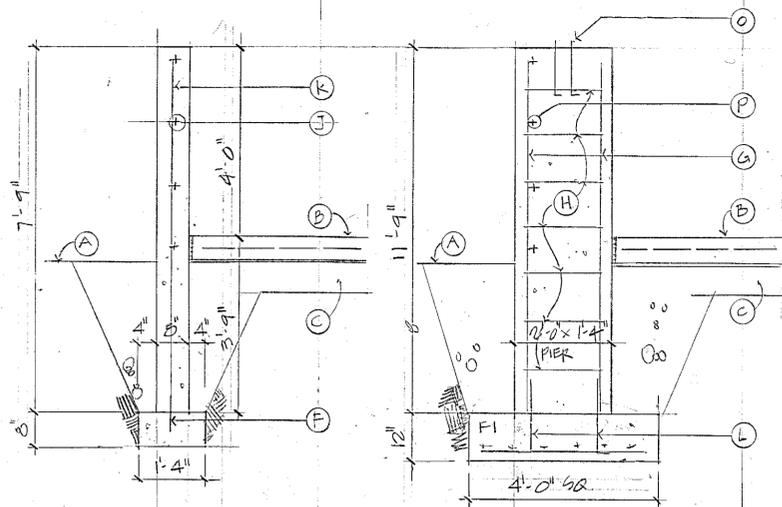
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DRAWN BY: J.C.A.  
CHECKED BY: W.O.M.

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REVISIONS:

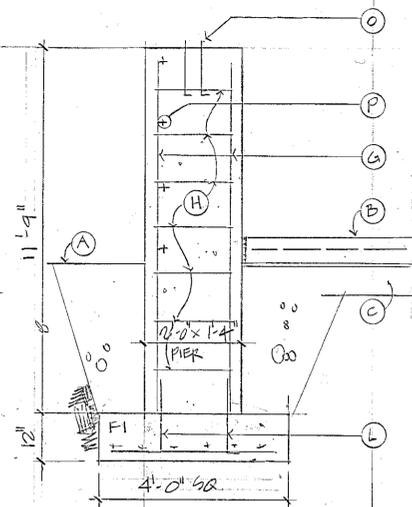
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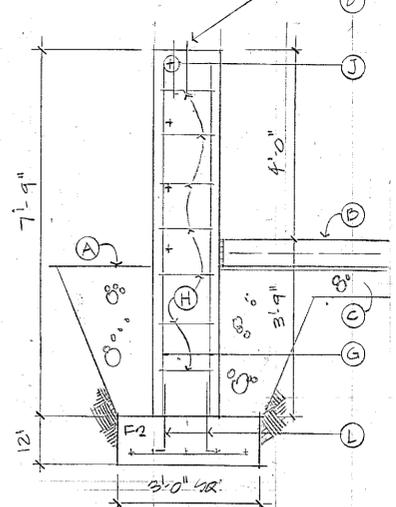




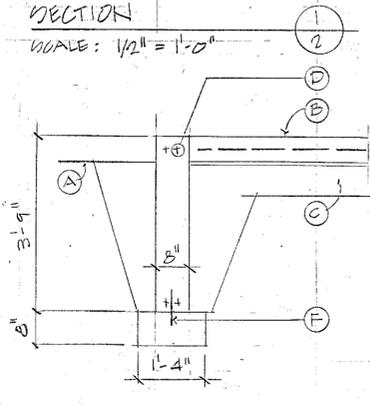
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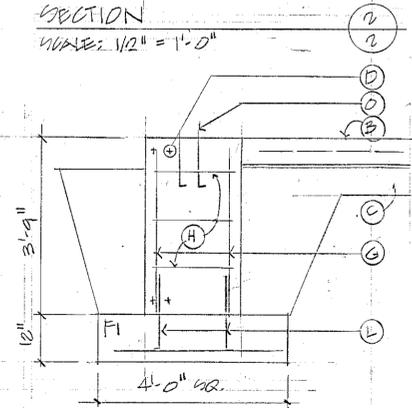
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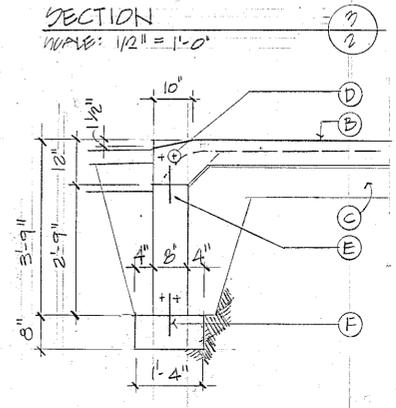
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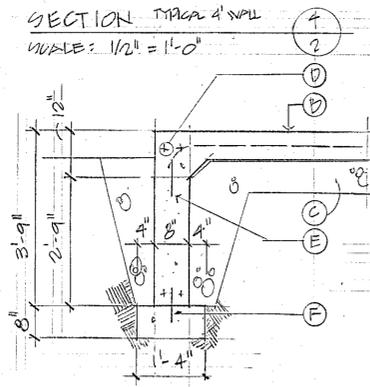
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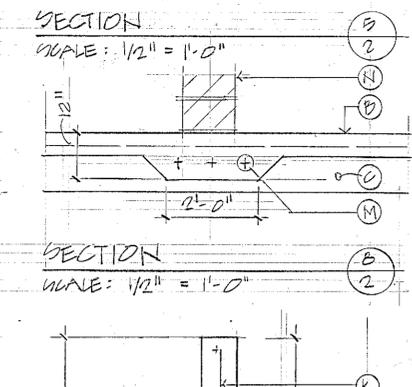
SECTION 5  
SCALE: 1/2" = 1'-0"



SECTION 6  
SCALE: 1/2" = 1'-0"



SECTION 7  
SCALE: 1/2" = 1'-0"



SECTION 8  
SCALE: 1/2" = 1'-0"



SECTION 9  
SCALE: 1/2" = 1'-0"

**FOUNDATION NOTES**

- A = GRADE LINE
- B = 6 INCH FLOOR SLAB WITH MESH AND 6 MIL POLY BARRIER
- C = 8 INCHES OF COMPACTED GRANULAR FILL
- D = 2 - #4 BARS CONTINUOUS TOP AND BOTTOM OF WALL
- E = 12 INCH LONG DOWELS SPACED @ 24 INCHES ON CENTER
- F = 12 INCH LONG DOWELS SPACED @ 48 INCHES ON CENTER
- G = 4 - #4 VERTICAL BARS
- H = #3 HORIZONTAL TIES SPACED @ 12 INCHES ON CENTER
- J = 4 - #4 HORIZONTAL BARS SPACED @ 16 INCHES ON CENTER
- K = #4 VERTICAL BARS SPACED @ 16 INCHES ON CENTER
- L = 4 - #4 DOWELS
- M = 3 - #4 BARS CONTINUOUS
- N = MASONRY WALL
- O = 4 - 3/4" DIA. ANCHOR BOLTS

P-7 - #4 @ 5P.C. 16" O.C.

**GENERAL NOTES AND SPECIFICATIONS**

SOIL BEARING CAPACITY: Designed on the presumptive method. Design soil pressure is 2000 PSF. This to be field verified.

CONCRETE STRENGTH: 3000 PSI in 28 days, slump not over 4". Ready mix concrete to meet ASTM C34 standards.

REINFORCING STEEL: Deformed bars, ASTM A616, Grade 40, or A616, Grade 50, mesh to be ASTM A185.

CONCRETE TEMPERATURE: Maintain concrete temperature above 50 degrees for a minimum of 72 hours.

COVER ON REINFORCING STEEL: With concrete, 3" net to the ground, 2" next to the foundation wall forms, lap reinforcing steel bars 24 bar diameters and lap mesh 6".

FINISHING AND CURING CONCRETE: Keep wall forms on 24 hours before stripping. Keep floors covered with watertight membrane for 3 days, or use a curing compound. Steak trowel all floors to a dense finish.

BUILDING: The building is of a type VB wood frame unprotected construction class. The metal building structure is to be submitted as a component submission before site installation.

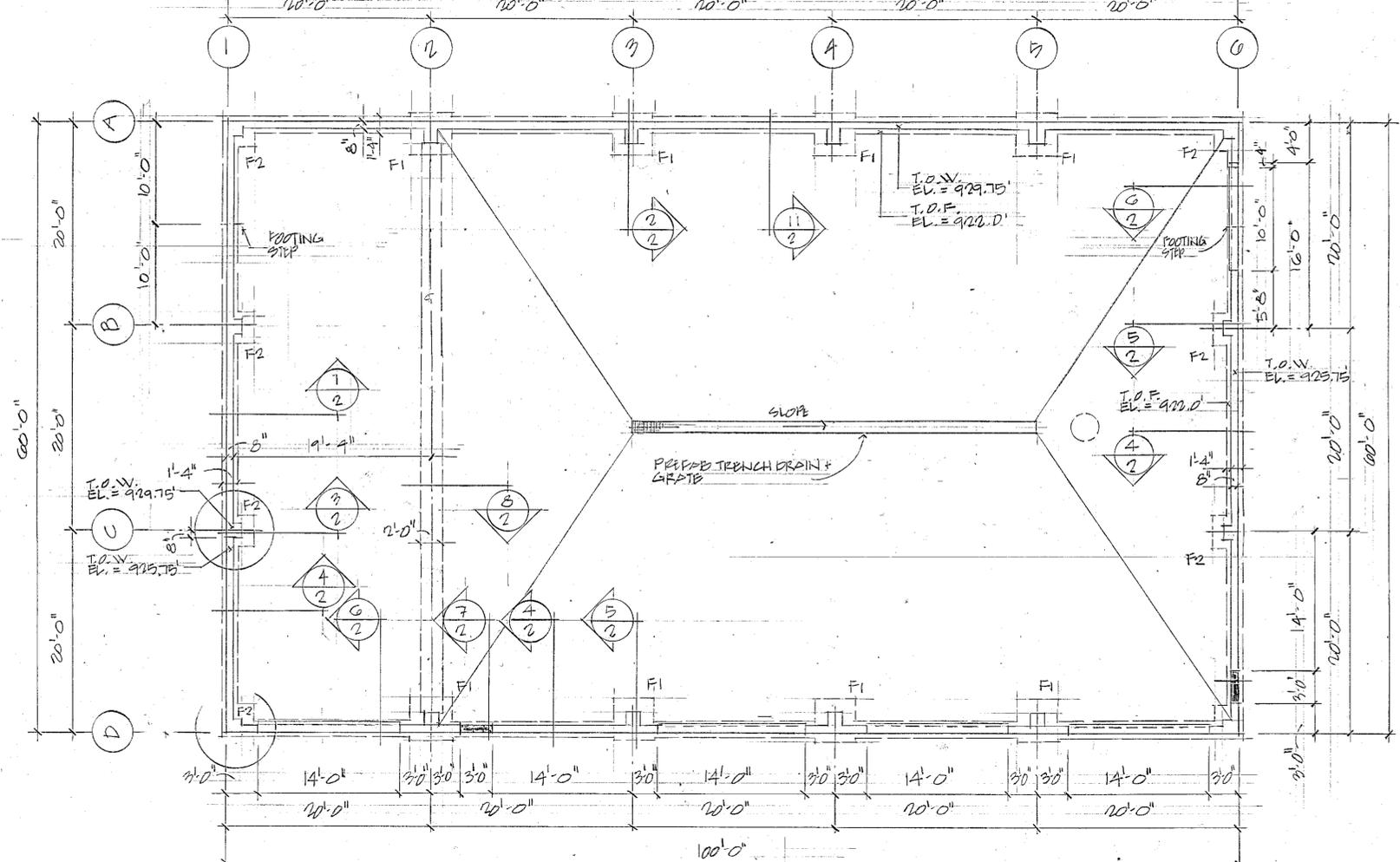
DESIGN LOADS: ROOF:  
 Live Load = 30 PSF, Roof Snow Load = 24 PSF, Snow Drift Maximum Load (See Calculations), Ground Snow Load = 30PSF  
 Dead Load = 9 PSF  
 Collateral Load = 3 PSF  
 Wind Load = 20 PSF, Wind Importance Factor = 1.00, Wind Exposure Category = B  
 Seismic Load: Seismic Importance Factor = 1.0, Site Class = D, Seismic Design Category = B

MEZZANINE:  
 Live Load = 125 psf  
 Dead Load = 15 PSF

EXIT LIGHTS: Shall be provided over all exit doors. Every sign shall have the word "EXIT" in plainly legible letters not less than 6" high, with the principal strokes of the letters not less than 3/4" wide.

PLUMBING, HVAC, AND ELECTRICAL: Are not a part of these plans. All work to be installed in accordance with all state and local building codes.

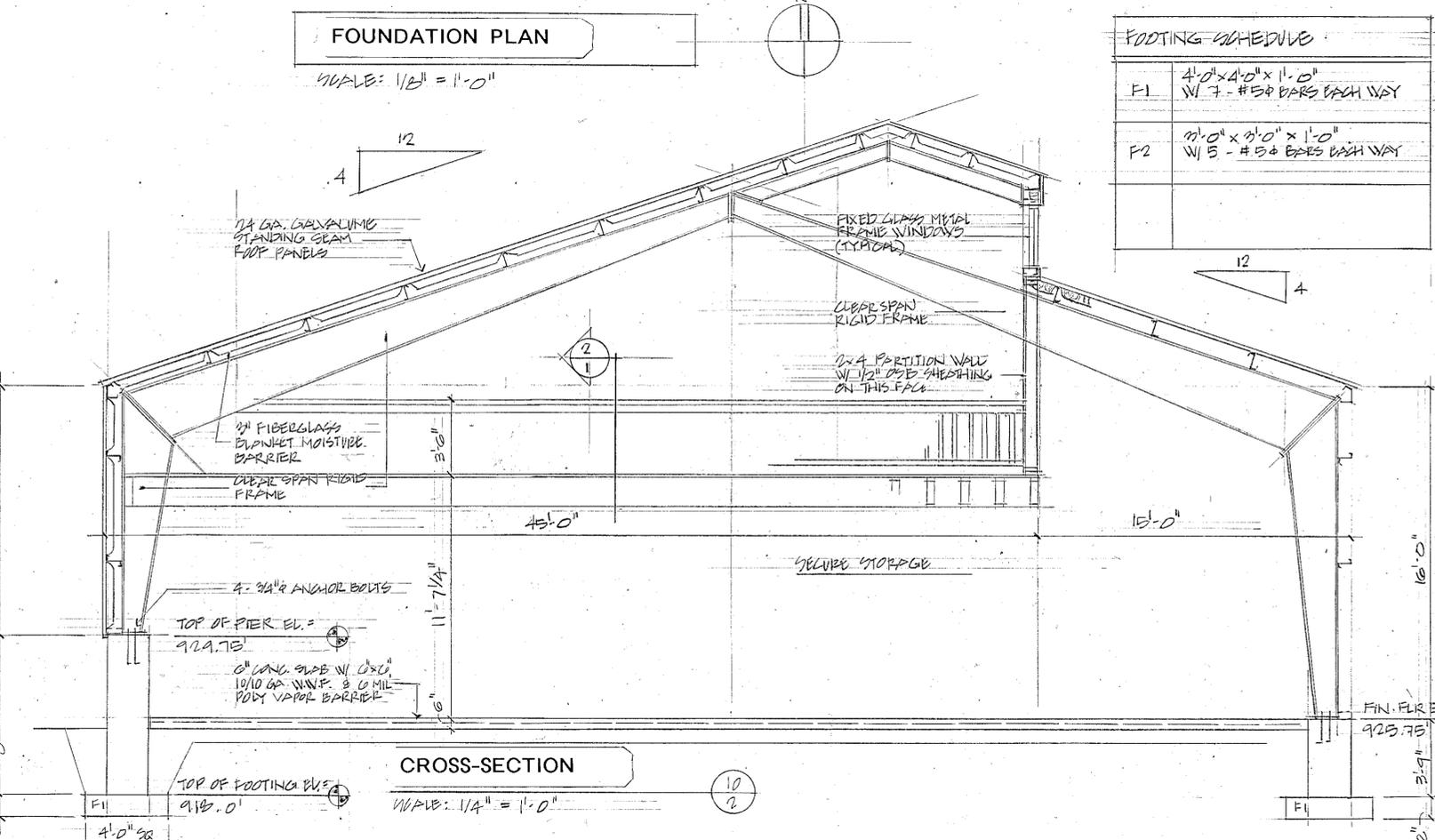
DEVIATION FROM PLANS: There shall be no deviation from these plans without the written consent of the Architect.



FOUNDATION PLAN  
SCALE: 1/2" = 1'-0"

**FOOTING SCHEDULE**

F1	4'-0" x 4'-0" x 1'-0" W/ 7 - #5 @ BARS EACH WAY
F2	3'-0" x 3'-0" x 1'-0" W/ 5 - #5 @ BARS EACH WAY



CROSS-SECTION  
SCALE: 1/4" = 1'-0"

Rodney W. Helt, AIA  
 Registered Architect  
 8114 Paulson Road  
 Verona, Wisconsin 53593  
 608-848-8881

tc  
 TOWN & COUNTRY  
 ENGINEERING, INC.  
 2012 Marketplace Drive  
 Suite 103  
 Madison, WI 53719  
 (608) 273-3360  
 www.tceengineering.net

PROJECT: VIEWER AT SHOREWOOD HILLS PAVILION WORKS BUILDING  
 OLD MIDDLETON ROAD  
 SHOREWOOD HILLS, WISCONSIN

**VILLAGE OF SHOREWOOD HILLS,  
WISCONSIN  
Request for Proposal Property  
Assessment and Revaluation**

The Village of Shorewood Hills is requesting proposals from qualified Assessors to function as Assessor for the years 2017, 2018 and 2019.

**Scope of Work-Assessment Services:**

The Assessor will complete in a professional manner all the work required under this proposal in accordance with the Wisconsin State Statutes. Within fifteen (15) days following award, the selected assessor shall furnish the Village with a performance bond or other instrument of security acceptable to the Village, equal in value to the sum of the assessment and revaluation contract. Said security instrument shall remain in force through the duration of the contract period and will be retained by the Village until completion of the contract. The Assessor shall commence work **January 1, 2017 through December 31, 2019.**

**Parcel Count and Other Information:**

The 2015 assessment roll parcel count was as follows:

Total Real Estate Parcels  
Residential Improved  
Commercial  
Personal Property  
2015 Assessment Ratio:

The Village currently has three active TIF districts.

**Obligations of the Village:**

The village will perform limited clerical services to assist the assessor including:

- Answer the telephone. Greet and assist the public in researching property information and requests for assessment data. Also answer general

correspondence concerning assessment related inquiries that Village staff is capable of answering. Provide information as to how to contact the assessor by mail, fax, email or telephone.

- Provide copies of all building permits and commercial plans, previous assessment rolls and records as requested at no cost.
- Publish public notices at appropriate times during the assessment and revaluation process.
- Provide adequate office space for assessment personnel.
- Provide the name, address of the owner and the block and lot number, size or other identifying description of each parcel to be appraised.
- Maintain current Village map including lot sizes, parcel numbers and addresses.
- Storage for all property records will be at Village Hall. Records are to remain at Village Hall unless removed only on a daily basis for inspections and updates.
- The Village will have the office open during normal Village Hall hours: Monday through Friday, 8:00 to 5:00.

### **Scope of Work – Assessment Services**

1. Assessor will perform all of the work required to properly and professionally assess the real and personal property of the Village in accordance with applicable Wisconsin State Statutes.
2. Assessor will review and assess all properties that were under partial construction as of January 1st of the previous year.
3. Assessor will review and assess new construction, partial construction and remodeling as of January 1st of the current year.
4. Assessor will mail out state approved blotters to all holders of personal property in the Village, audit the returned forms and place the new values in the assessment roll. Doornage assessments will be made on any personal property account that has not sent in a return.
5. Assessor will account for all buildings moved, destroyed or demolished.
6. Assessor will create new property record cards for all parcels including those created from parcel splits and new plats and take digital pictures of all parcels. All property record cards shall be updated as needed.
7. Assessor will correct legal descriptions as needed.

8. Assessor will record assessment data, prepare appointment mailers, stuff envelopes and mail notices and schedule and reschedule appointments as necessary.
9. Assessor will notify the Building Inspector of missing building permits or apparent errors in property record files.
10. Assessor will post assessments to real estate transfer returns and record sale information on property record card.
11. Assessor will annually update all property owner record cards with new legal description labels.
12. Assessor will mail the notices of changed / increased assessments.
13. The Assessor will be responsible for completing and signing the real estate and personal property assessment rolls.
14. The Assessor shall submit all applicable reports to the Department of Revenue.
15. All data and programs gathered will become the property of the municipality.
16. All office supplies, postage and other supplies necessary to perform the duties of the contract shall be borne by the Assessor. The use of Village supplies under this section will be invoiced to the Assessor and paid by the Assessor and paid by the Assessor prior to the final payment under the contract.
17. Assessor will conduct Open Book sessions in accordance with Wisconsin State Statutes. Property owners will be given sufficient notice of changes in assessment with the opportunity to review and discuss changes. The assessment roll will be available for public inspection prior to the Open Book session.
18. Assessor will be responsible for insuring that all procedures are properly completed for Open Book and Board of Review proceedings to be held according to statutes. Assessor will also attend the Open Book and Board of Review meetings testify under oath while defending the Assessor's valuation and work products. In the event of an appeal to the courts, it is agreed that the Assessor will be available to furnish expert testimony in defense of any of the assessed values.
19. The Assessor shall make a reasonable explanation to the Village Staff throughout the revaluation in the use of procedures, standards and records used for making property appraisals.

20. Assessor will be responsible for providing the Wisconsin Department of Revenue with final reports and TIF report per DOR requirements.
21. Assessor will set office hours in Village Hall as needed.
22. Assessor will also provide a local or toll-free phone number and email for Village officials and residents to contact assessor during regular business hours, Monday through Friday, and shall return calls within forty-eight (48) hours.
23. Assessor will supply to the Village a complete set of computer property assessment records (including digital photographs of each property) that are compatible with the Village's computer equipment and software. Assessor will provide digital photographs with comparable properties in preparation for Board of Review meeting(s) so that the Board and the petitioner have evidence of comparability. Additionally, the Village's computer system shall be updated within fourteen (14) days of the final adjournment of the Board of Review. This update will also include an electronic copy of all parameters in the data base for that tax year. The data will be supplied in Microsoft Excel file format. The details of the file organization will be in a mutually agreed upon format.
24. Assessor will also perform all other duties incidental to the normal duties of Assessor.

**Scope of Work – Revaluation Services when requested by Village:**

- 1) Inspect the exterior and interior of all improved residential parcels.
  - a) The Assessor shall physically inspect 100% of the properties to be appraised and will carefully measure and list all improvements to be appraised. In the event that no one is available upon the initial visit, a callback card will be left with clear instructions for making an appointment to complete the interior inspection.
  - b) The Assessor will schedule appointments. If the resident makes no appointment, the Village will mail a letter requesting an appointment for interior inspection. The Village will send by registered mail a letter requesting an interior inspection to those property owners who do not respond to the first letter.
  - c) Appointments / inspections will be conducted between the hours of 8:00 A.M. and 7:00 P.M. Monday through Saturday, excluding holidays.

- d) The Assessor will provide a digital photograph of each improved and vacant parcel. Any unique or unusual properties may require more than one picture.
- 2) Inspect the interior and exterior of all improved commercial properties.
    - a) The Assessor shall physically inspect 100% of the properties to be appraised and will carefully measure and list all improvements to be appraised.
    - b) All internal inspections for commercial property will be done by appointment. The Assessor will schedule appointments.
    - c) The firm will provide a digital photograph for each improved parcel. Any unique, large, or unusual properties may require more than one photograph.
- 3) Inspect all other classes of property, except manufacturing, according to state statutes.
- 4) Value all unimproved parcels.
- 5) The Assessor shall consider the cost, market, and income approaches in the valuation of all vacant and improved parcels of property by computer assisted means.
- 6) Data Specifications
    - a) The inspection data will be recorded on new approved Department of Revenue forms. Detailed notes about the structure will be written on the forms in clear, legible writing.
    - b) Additional information including market data, building costs, sales, rental, leasehold improvements, and income and expense data will be collected as circumstances dictate.
    - c) Data collection for income producing properties shall include rental rates, leasehold improvements, vacancy rates, and income and expense data. This information will be maintained in a separate, secure location at village hall.
    - d) Documentation will be noted on each property listing/record card including the time, date, and assessor for each inspection or attempted inspection. The person authorizing internal inspection shall sign said document.

- e) The assessor will measure all improvements to verify the accuracy of the existing sketches. All corrections including dimensions, labels, and new areas should be noted on the sketch in red pencil. If the drawing is missing, the assessor shall create one.
  - f) The assessor will perform all square footage calculations and verify accuracy. All incomplete, unverified and/or inaccurate measurements and/or calculations will be corrected at no additional expense to the Village.
  - g) Completed listing sheets and sketches should be ready for data entry and on a routine and timely manner. Any data deemed missing, illegible, or inaccurate will be corrected at no additional cost to the Village. The assessor will make monthly progress reports to the Village.
- 7) The contract goal shall be that 100% of all improved properties shall be inspected. The specified inspection rate assumes reasonable property owner cooperation and shall therefore be inclusive of %Certified No Response+ properties.
- a) Prior to the Open Book hearing period, a time for public inspection of the proposed roll will be allowed. The Open Book period shall be scheduled to comply with appropriate statutes, be scheduled for day and evening sessions and ensure notice to affected properties.
  - b) The Board of Review for the revaluation period shall be scheduled at the mutual convenience of the Assessor, Board of Review and the Village Clerk.

### **General Quotation Requirements**

1. All quotations must identify the firm name, address and specific assessment services experience in Wisconsin. The proposals shall also include the names, educational background and municipal assessment experience of the person or persons to be assigned as the Village's point of contact for the work to be performed. The Assessor shall provide basic information about their business, location, personnel and capabilities. Include the phone, email and fax number of the person to contact regarding the proposal as well as their email address.
2. The Assessor shall provide a list of municipal references for which the Assessor has provided revaluation services. At least two (2) references must be cities or villages for which the Assessor is currently providing assessment maintenance services and at least one (1) reference must be Cities or Villages for which the Assessor has completed a revaluation recently. An

explanation of how the Assessor would deliver the services requested and inclusion of a timetable for delivery and completion of the revaluation shall also be submitted.

3. A detailed resume of the person or persons to be assigned as the Village's primary contact for work to be performed shall be submitted.
4. All work shall be accomplished in accordance with the provisions of the laws of the State of Wisconsin and in full compliance with the rules and regulations promulgated by the Wisconsin Department of Revenue.
5. A cost proposal for assessing services shall identify an amount for Statutory Assessor services for 2017, 2018 and 2019. In addition, three cost proposals shall be submitted on the basis of a 1-year revaluation cycle, a 2-year revaluation cycle, and a 3-year revaluation cycle. A contract will be negotiated with the firm determined to be most responsive to the RFP in the best interest of the Village. A proposal to maintain annual full value assessments shall also be provided. Proposers may suggest alternative cost proposals that may act to spread the revaluation costs over multiple years and/or a longer timeframe
6. The proposals shall also identify any and all contractual requirements that the bidder has.
7. All personnel providing assessing services shall be currently certified in compliance with Wisconsin State Statutes and Administrative rules of the Department of Revenue for the type of properties in Shorewood Hills.
8. Bidders are advised to carefully inspect the community, the entire records and facilities of the Village of Shorewood Hills and examine the above referenced specifications for the proposed work and judge for themselves the circumstances affecting the cost of the work or the time requirements for its completion. Failure to do so will not relieve the successful bidder of the obligation to furnish and perform the work, to carry out the provisions of the contract, and to complete the contemplated work for consideration set forth in this RFP.
9. The successful bidder is not permitted to assign, subcontract or transfer the work of providing assessment services, without the prior written approval of the Village.
10. The successful Assessor will have three or more years of experience in municipal government assessing, including conducting a revaluation, and will have advanced knowledge and experience in the utilization of computer applications for assessments.

11. The Assessor shall maintain insurance coverage to protect against claims, demands, actions and causes of action, arising from any act or omission of the Assessor, his/her agents and employees in the execution of work. Certificates of insurance by a company authorized to transact business in the State of Wisconsin shall be supplied to the municipality. Limits of liability shall not be less than:

Workers Compensation	Statutory
Bodily Injury - Per Person	\$100,000
- Per Occurrence	\$300,000
Property Damage-Each Occurrence	\$ 50,000
Comprehensive Auto Liability Including Non-ownership Coverage	
Each person	\$100,000
Each Occurrence	\$300,000
Property Damage	
Each Occurrence	\$ 50,000

12. The proposals will be reviewed and awarded to the assessor whose quote is the most responsive to the solicitation and is the most advantageous to the Village of Shorewood Hills, considering experience, knowledge, demonstration of a high level of accuracy in assessment work for municipal clients, high level of customer service to property owners as well as municipal clients and other factors. The conditions enumerated in this request for proposal will form the basis for the agreement which the Village will enter into. The final agreement may be modified upon selection and will be subject to review and approval by the Village Board. The Village reserves the right to accept or reject any and all proposals received.

13. Submit any additional information that is pertinent to the RFP.

**Inquiries**

Inquiries about this RFP should be directed to:

Karl Frantz, Village Administrator  
 Village of Shorewood Hills  
 810 Shorewood Boulevard  
 Madison, WI 53217

Phone: 608.267.2680  
 Email: [kfrantz@shorewood-hills.org](mailto:kfrantz@shorewood-hills.org)

### **Submission Instructions**

The Village reserves the right to request additional written or oral information to supplement all written statements of qualifications or proposals. Interviews and presentations are anticipated and will be on an invitation basis.

Submit all material to Karl Frantz, Village Administrator, Village of Shorewood Hills, and 810 Shorewood Boulevard, Madison, WI 53507 no later than **August 15, 2016**.

### **Right to Reject**

The Village of Shorewood Hills reserves the right to reject any and all proposals and statements of qualifications.

# Village of Shorewood Hills Personnel Committee Police Officer Pay Comparison Report

## Statement of Purpose

This report was prepared by the Village of Shorewood Hills Personnel Committee to inform discussions regarding the Village's compensation of its patrol police officers. It provides neither conclusions nor advocacy for any particular course of action on this issue.

## Summary

- The Village received the current patrol officer contracts of 10 nearby communities after requesting such contracts from more than 25 municipalities. These, along with information from the Village, were the source of information for this report. A chart of the wage schedules is on page 6.
- The Village patrol police officer base pay is the lowest among the 10 communities and is significantly lower than the market average provided by the management consulting firm hired to examine this issue.
- Despite the lower pay, the Village has not had a problem in recruiting or retaining patrol officers. It generally attracts patrol officer candidates with little to no prior experience. Given the Police Department's small size, Village patrol officers usually have little opportunity for professional advancement, which may be a significant deterrent to recruiting more experienced officers regardless of pay. The discussion of Village retention and recruitment starts on page 3.
- Using information from the Village and the 10 nearby communities, this report presents the minimum, Year 5, and maximum wages, starting on page 7. Year 5 is examined in lieu of midpoints (pages 9 -10). This was done due to the variation among the 11 wage schedules in the years of service to the midpoint. The maximum wage data (page 10) is of limited use due to the wide range in years required to reach the maximum step.
- To provide a more complete understanding, longevity pay and education-based bonus pay are examined, starting on page 10.
- It is difficult to compare communities due to the variables involved. Three quantifiable differences, however, are discussed: Equalized value, total population, and the number of police officers. This discussion begins on page 13.
- Overall, Maple Bluff is the most comparable to the Village among the 10 communities examined. A discussion of this begins on page 16.
- The market estimate provided by the management consulting firm is discussed, starting on page 17.
- A prototypical wage schedule was created for each analysis point, for a total of 8. These are meant to provide a range of starting points for discussion and not to serve as specific proposals. As the Committee informally indicated a desire for a schedule with fewer steps, each prototypical wage schedule has 7 steps instead of the current 11. There is a 2.55% step difference throughout the prototypical wage schedules. This was used as it is the average step difference in the current Village wage schedule for all jobs. All the prototypical wage schedules are listed on page 18.
- Additional, non-base wage information regarding the Village and the 10 communities is included in the appendices. The appendices start on page 19.

# Village of Shorewood Hills Personnel Committee Police Officer Pay Comparison Report

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## **Introduction: What is a fair wage?**

It is Village policy to treat employees fairly and equitably and to maintain competitive salary relationships with other municipalities of similar service levels and populations (Village Personnel Policy Manual, § 1.00: Introduction).

How does one determine what is fair and competitive in this setting? Four potential approaches were considered and provide the structure for this report:

1. **Expert evaluation:** The Village asked the management consultant firm Carlson Dettman to evaluate the Village's position with regard to police wages. The written result was a memorandum to Karl Franz dated March 11, 2016, and shared with the Personnel Committee. In that memo and at the March 21 Personnel Committee meeting, Charlie Carlson discussed the difficulty in comparing municipalities and jobs. He also said that his firm looked at the wages of a number of municipalities that his firm had found to be the most comparable to the Village to derive a market average of \$27.50. That is \$3.35 more than the midpoint of the Village's wage schedule (Step 6).

Overall, however, Charlie Carlson concluded that the current Village maximum rates are competitive. His memo noted that the Village "is able to recruit quality applicants with the current pay ranges and has almost no turnover." The remaining question, it said, was whether the current wages align with Village's policies. In considering this, he raised the concern some Village police officers have with salary levels.

2. **Market response:** Persistent problems with retention and recruitment might indicate that Village compensation is too low to be fair and competitive. Examining exit interviews, the tenure and educational and employment backgrounds of current police officers, and the attrition and turnover rates for past employees also would provide insight. An analysis of this by Village Administrator Karl Franz immediately follows this section.
3. **Comparison to other municipalities:** As discussed at the March 21 and April 4 Personnel Committee meetings, finding a comparable municipality is difficult due to the variables involved. Discussion of this and the information from the 10 nearby communities starts on page 5.
4. **Comparison to a market average:** A market average is only as valid as its defining parameters (e.g., including and excluding municipalities when defining the market, matching of job duties, normalizing wages to compare hourly rates). All the difficulties inherent in making comparisons apply to creating a market average. The market average provided by Carlson Dettman is examined on page 17.

### **I. Market Response: Village Retention and Recruitment** (prepared by Village Administrator Karl Franz)

The ability of the Village to successfully recruit and retain police department employees is important, and the Village compensation plan is part of that effort. The Village has not had a significant problem recruiting or retaining police officers. The cost to the Village to increase pay to the level necessary to deter officers from seeking employment elsewhere would be prohibitive. However, the Village has the capacity to become more competitive with at least some departments, and that may make decisions to seek employment elsewhere that are at least somewhat based on pay more difficult.

#### **Recruitment**

The Village does not have issues recruiting qualified applicants when it forms an eligibility list for police officers. The most recent recruitments have resulted in well over 100 applications being submitted that meet Village minimum requirements of at least an Associate's degree and successful completion of the police academy. If the Village required

prior experience as a fulltime officer, the story would be different. There are also now some indications that fewer qualified people are choosing to pursue careers in law enforcement and that the market is tightening and becoming more competitive. A recent Channel 3000 news story reports that the Village of Oregon only received twenty applications in a recent open recruitment.

The Village has also successfully cultivated full-time officers from its stable of part-time officers. Part-time officers receive valuable experience and training in Village policing, and they may gain a sense of obligation and an emotional tie to the community. This can make them attractive candidates when a full-time position opens up. When this occurs, it negates the need to engage in wider recruitment. Five of the Village’s six current full-time officers started as part-time officers, with only the Chief starting as a full-time patrol officer some twenty-two years ago. It is thus a benefit to the Village to be able to quickly bring in part-time officers and keep at least ten on the part-time roster.

When the Village has initiated outside recruitments, most applicants lack full-time patrol officer experience, coming directly from the police academy or a part-time job in law enforcement. There are many more individuals looking for their first job as a police officer than there are jobs available. For these applicants, money is far less significant than securing their first job and thus getting their foot in the door.

**Retention**

Currently, the Village has 6 full-time sworn officers: 3 patrol officers, a detective/sergeant, a lieutenant, and a chief. Five have been on the force at least 8 years, four at least 11 years, and three at least 16 years. The chief, lieutenant and detective/sergeant are long-term employees with a minimum of sixteen years of employment with the Village. They began their employment as patrol officers and were able to move up the career ladder, which may be one reason that they have stayed as long as they have. Unfortunately, this has also resulted in a lack of opportunity for others to advance.

Two of our current three full-time police patrol officers have 8 and 11 years of Village employment. There are specific circumstances particular to those individuals that can explain their longevity. The third patrol position has had relatively frequent turnover. Typically, an employee remains in this position for 3 years, with a range of 1 to 6 years.

The chart below illustrates the commentary above:

**Table 1:** Recent History of Village Police Officer Tenure

<b>Employee</b>	<b>Dates of Employment</b>	<b>Approximate Length of Tenure</b>	<b>Status</b>
Chief Jerald Jansen	1/1/1981 - 10/2004	23 years	Retired
Chief Dennis Pine	6/11/1994 - present	15 years	Current Village officer
Chief Jerald Jansen	4/1/2002 - 12/31/2002	9 mo + previous service	Came back and retired
Sgt Michael Wood	2/9/1998 - 4/15/2004	18 years	Went to Middleton PD
Det Corey Denzer	4/26/1999 – present	17 years	Current Village officer
Det Daniel Jones	1/3/2000 - 12/31/2004	4 years	Went to Middleton PD as a detective
Lt Courtland Martens	8/27/2000 - present	16 years	Current Village officer
PO Troy Hellenbrand	6/11/1994 - 1/1/1999	4.5 years	Went to Middleton PD and is now a captain
PO David Haselow	07/19/1997 - 12/9/1997	5 mo	Went to Middleton PD as a detective
PO Darrin Zimmerman	2/15/1998 - 5/19/1999	1 year	Went to Middleton PD Sgt.
PO Travis Kakuske	1/2/2003 - 8/16/2005	2 .5 years	Went to Middleton PD
PO Erik Hansen	7/17/2004 -5/6/2006	2.5 years	Went to Stoughton PD
PO Jaime Weitzel	9/6/2005 to present	9.5 years	Current Village officer
PO Jessica Quamme	9/19/2005 - 11/3/2008	3 years	Went to Middleton PD and is now a sergeant
PO Andrew Marks	6/29/2006 - 8/31/2010	4 years	Went to Arizona
PO Charles Warren Jr.	8/29/2006 - 5/14/2007	< 1 year	Went to the City of Madison PD

PO Nicholas Pine	2/21/2008 - present	8 years	Current Village officer
PO Jeff Beck	8/18/2008 - 7/31/2014	6 years	Went to Sauk Prairie PD
PO Ashley Dostalek	8/18/2014 - present	2 years	Current Village officer

The officers on this chart who have left the Village have done so in the range of 1 to 6 years. The reasons for leaving are usually based on 3 factors that may interrelate to each other: opportunity for advancement, better pay, and more activity. The Village can control the pay component to a degree it cannot do with the other factors. In order to make the pay component become an overriding, deciding factor to stay, the Village would likely have to pay significantly more than other departments. Activity may be becoming less of a factor than it has been as activity levels and incidents are increasing in the Village. In addition, Village officers provide important and frequent backup response for the City of Madison, UW, and Middleton Police Departments, often involving serious incidents.

## **II. Comparisons to Other Municipalities**

Comparison of the Village to other municipalities begins with a wider view of all the communities, with analysis at specific points and then looks at specific comparisons based on different factors

**Data sources:** The Village requested current police officer employment contracts from more than 25 nearby communities. It received contracts from 10:

- De Forest, Maple Bluff, Madison (town), Marshall, Middleton, Mt Horeb, Oregon, Stoughton, Sun Prairie, Waunakee

All the contracts are collective bargaining agreements between the individual municipalities and the Wisconsin Professional Police Association's Law Enforcement Employee Relations (WPPA/LEER) department as representative of local unions. **[NOTE:** This is one major variation between the Village and the 10 communities examined: Village police officers are not represented by a union.]

### **A. Overall comparisons**

1. Base wages
2. Minimums, Year 1 Wages, Year 5 Wages, and Maximums
3. Longevity bonuses
4. Education-base bonuses
5. (Base wages) + (Longevity bonuses/Retention pay) + (Education bonuses)

**Overall Comparison 1: Base Wages**

**Table 2: Base wages (all)**

	Starting	1 year	2 years	3 years	4 years	5 years	6 years	7 years	8 years	9 years	10 years	15 years
<b>De Forest</b>	\$26.06	\$28.11	\$28.61	\$29.06	NA	\$29.70	NA	NA	NA	NA	\$30.87	NA
<b>Madison (T)<sup>1</sup></b>	\$26.06	\$27.87	\$30.31	NA	\$32.38	NA	NA	NA	\$33.27	NA	NA	NA
<b>Maple Bluff<sup>2</sup></b>	\$22.30	\$23.69	\$25.11	NA	\$26.48	\$29.50	NA	NA	NA	NA	NA	NA
<b>Marshall</b>	\$23.33	\$24.24	\$25.13	\$25.47	NA	NA	NA	NA	NA	NA	NA	NA
<b>Middleton<sup>3</sup></b>	\$29.04	\$30.21	\$31.37	\$32.49	\$33.68	NA	NA	NA	NA	NA	NA	NA
<b>Mt Horeb</b>	\$25.67	\$28.08	NA	NA	NA	\$28.64	NA	NA	NA	NA	\$29.20	NA
<b>Oregon (A)<sup>4</sup></b>	\$24.47	\$25.30	\$26.45	\$27.59	NA	\$28.28	NA	\$29.12	NA	NA	NA	NA
<b>Oregon (B)</b>	\$24.47	\$25.30	NA	NA	\$26.45	NA	\$27.57	NA	\$28.24	NA	\$28.92	NA
<b>Stoughton</b>	\$25.33	\$25.30	\$27.45	\$28.50	\$29.59	NA	NA	NA	NA	NA	NA	NA
<b>Sun Prairie<sup>5</sup></b>	\$27.27	\$29.06	NA	\$31.07	\$32.02	NA	NA	NA	NA	NA	\$32.62	\$33.20
<b>Waunakee</b>	\$24.24	\$25.04	\$25.85	\$26.65	\$27.57	\$29.28	NA	NA	NA	NA	NA	NA
	<b>Step 1</b>	<b>Step 2</b>	<b>Step 3</b>	<b>Step 4</b>	<b>Step 5</b>	<b>Step 6</b>	<b>Step 7</b>	<b>Step 8</b>	<b>Step 9</b>	<b>Step 10</b>	<b>Step 11</b>	
<b>VOSH</b>	\$21.13	\$21.74	\$22.33	\$22.94	\$23.55	\$24.15	\$24.75	\$25.36	\$25.96	\$26.57	\$27.17	

**1. Madison:** Monthly wages provided; hourly calculated as (monthly wage)/(162.5 hrs/mo)

**2. Maple Bluff:** Wages as of 7/1/2016

**3. Middleton:** Annual wages provided; hourly calculated as (annual wage)/(1905 hrs/yr). Chart reflects the lowest patrol level, which is Police Officer I. Police Officer II and III are educational and incentive training levels with increased annual wages.

**4. Oregon:** Monthly wages provided; hourly calculated as (monthly wage)/(162.5 hrs/mo). 1 year-level wage is wage paid at 18 months after completion of probationary period.

Oregon (A): Schedule for police officers who were part of the local union as of December 31, 2015

Oregon (B): Schedule for police officer hired on January 1, 2016 or later

**5. Sun Prairie:** 1 year-level wage is wage paid at 18-months of service.

**Overall Comparison 2: Minimums, Year 1 Wages, Year 5 Wages, and Maximums**

**Minimum hourly wages (starting wages)**

**Chart 1: Minimum (Starting) Wages (all)**



- Range of minimum wages, excluding the Village: \$22.30 (Maple Bluff, as of 7/1/2016) to \$29.04 (Middleton)
- Mean, excluding the Village: \$25.33
- Median, excluding the Village: \$25.33
  - The closest minimum (Step 1) wage on the Village’s current wage schedule is that of Police Lieutenant (\$25.71)
- The Village’s minimum wage: \$21.13
  - \$4.20 less than the mean and median
  - \$1.17 less than the next lowest minimum wage (Maple Bluff, as of 7/1/2016)

**Prototypical Wage Schedule 1:** Seven step schedule with 90% of median/mean starting wage as Step 1 and a 2.55% difference between steps throughout, which is the average step difference on the current Village schedule (Change from current Village wage)

Step 1	Step 2	Step 3	Step 4	Step 5	Step 6	Step 7
\$22.80	\$23.38	\$23.98	\$24.59	\$25.22	\$25.86	\$26.52
(+ \$1.67)	(+ \$1.64)	(+ \$1.65)	(+ \$1.65)	(+ \$1.67)	(+ \$1.71)	(+ \$1.77)
(+ 7.9%)	(+ 7.5%)	(+ 7.4%)	(+ 7.4%)	(+ 7.1%)	(+ 7.1%)	(+ 7.2%)

This resembles the Village’s schedule if it were shifted more than 2 steps to the right, with the starting wage between the current Step 3 and Step 4. The prototypical Step 1 would be \$0.50 more than Maple Bluff’s starting wage as of 7/1/2016.

## Variation in Differences between the Minimum wage to Year 1 wages: Caveat regarding starting wages

- Some municipalities provide a large wage increase from the starting pay to the Year 1 pay and then smaller increases in subsequent years. This may be due at least in part to fact that all but Stoughton have a probationary period (see Appendix D). In contrast, the Village does not have a probationary period and uses uniform step increases throughout its wage schedule. Using these municipalities' minimums as a starting wage, therefore, may result in lower overall pay than using Year 1 (the Village's Step 2) wages to set the starting wage.
- Range of increase from minimum wage to Year 1 wage, excluding the Village: 3.30% (Waunakee) to 9.39% (Middleton)
- Median increase, excluding the Village: 5.44%
- The Village's increase: 2.89% [NOTE: This is slightly more than the average step difference for the Village schedule, which is 2.55%.]

## Year 1 wages

Chart 2: Scheduled Year 1 Wages (all)



- Range, excluding the Village: \$23.69 (Maple Bluff, as of 7/1/2016) to \$30.21 (Middleton)
- Mean, excluding the Village: \$26.59
  - The closest Village Step 2 wage is that of Lieutenant (Grade 16) at \$26.45
- Median, excluding the Village: \$25.30
- Village's Year 1 wage (Step 2): \$21.74
  - \$4.85 less than the mean
  - \$3.56 less than the median
  - \$1.95 less than the next lowest Year 1 wage (Maple Bluff, as of 7/1/2016)

**Prototypical Wage Schedule 2:** Seven step schedule with 90% of median Year 1 wage as Step 2 and 2.55% step difference throughout, which is the average step difference on current Village schedule  
(Change from current Village wage)

Step 1	Step 2	Step 3	Step 4	Step 5	Step 6	Step 7
\$22.19	\$22.77	\$23.35	\$23.95	\$24.56	\$25.19	\$25.83
(+ \$1.06)	(+ \$1.03)	(+ \$1.02)	(+ \$1.01)	(+ \$1.01)	(+ \$1.04)	(+ \$1.08)
(+ 5.0%)	(+ 4.7%)	(+ 4.6%)	(+ 4.4%)	(+ 4.3%)	(+ 4.3%)	(+ 4.4%)

This resembles the Village’s schedule if it were shifted a step and a half to the right, with the starting wage between the current Step 2 and Step 3. The prototypical Step 1 is the same as the Village’s current Step 1 for Police Detective (Grade 13). The prototypical Step 2 would be \$0.92 less than Maple Bluff’s Year 1 wage as of 7/1/2016.

**Variation in Time Required to Reach the Middle of Schedule: Rationale for examining Year 5 wages instead of midpoints**

- If a police officer requires 1 YOS to move up each step on the Village’s wage schedule, it would take 5 years for that officer to reach the middle of the schedule (Step 6). The wage schedules for the other municipalities vary in the time it takes to reach their midpoints due to differences in the years to maximum wage. It thus is more useful to compare Year 5 wages than midpoint wages.

**Year 5 Wages**

**Chart 3: Scheduled 5 Year Wages (all)**



- Median Year 5 wage, excluding the Village: \$29.50
  - The closet Village Step 6 wage is that of Lieutenant (Grade 16) at \$29.39
- Range, excluding the Village: \$25.47 (Marshall) to \$33.68 (Middleton)
- The Village’s Year 5 (Step 6) wage: \$24.15
  - \$5.35 less than the median
  - \$1.32 less than the next lowest Year 5 wage (Marshall)

**Prototypical Wage Schedule 3:** Seven step schedule with 90% of median Step 5 wage as Step 5 and a 2.55% difference between steps throughout, which is the average step difference on current Village schedule  
(Change from current Village wage)

Step 1	Step 2	Step 3	Step 4	Step 5	Step 6	Step 7
\$23.94	\$24.57	\$25.21	\$25.87	\$26.55	\$27.23	\$27.92
(+ 2.81)	(+ \$2.83)	(+ \$2.88)	(+ \$2.93)	(+ \$3.00)	(+ \$3.08)	(+ \$3.17)
(+ 13.3%)	(+ 13.0%)	(+ 12.9%)	(+ 12.8%)	(+ 12.7%)	(+ 12.8%)	(+ 12.8%)

This resembles the Village’s schedule if it were shifted more than 4 steps to the right, with the starting wage above the current Step 5. The prototypical Step 1 would be \$0.63 more than the current Step 1 for Police Sargent (Grade 14). The prototypical Step 2 would be \$0.73 less than the median Year 1 wage and \$0.88 above Step 2 for Maple Bluff as of 7/1/2016.

**Maximum scheduled hourly wage**

**Table 3: Maximum Scheduled Wages and Years to Maximum**

	Maximum Scheduled Wage	Years to Maximum
De Forest	\$30.87	10
Madison (T)	\$33.27	8
Maple Bluff	\$29.50	5
Marshall	\$25.47	3
Middleton	\$34.68	4
Mt Horeb	\$29.20	10
Oregon	Hired after 1/1/16: \$28.93	10
	Hired as of 12/31/16: \$29.12	7
Stoughton	\$29.59	4
Sun Prairie	\$33.20	15
Waunakee	\$29.28	5
VOSH	\$27.17	10

Given the wide range in years to maximum, further analysis involving maximums (e.g., median maximum) is omitted.

**Overall Comparison 3: Longevity Bonuses**

**Longevity Bonuses**

**None**

- De Forest
- Marshall
- Oregon

**Percentage of Base Pay**

- Maple Bluff: 1% for years 10 – 14, 2% for years 15 – 19, 3% for years 20 – 24, 4% for year 25 and beyond
- Middleton: 1% after 3 YOS, 2% after 7 YOS, 3% after 11 YOS, 4% after 15 YOS, 5% after 19 YOS, 6% after 23 YOS
- Mt Horeb: 2% after 3 – 9 YOS, 4% after ≥ 10 YOS
- Waunakee: 1% after 5 YOS, 2% after 7 YOS, 3% after 15 YOS, 4% after 20 YOS, 5% after 25 YOS

**Flat Amount, With Yearly Adjustments**

- Shorewood Hills: \$180 after 3 YOS, increases by \$108 for each subsequent YOS
- Madison: \$90 after 3 YOS, increases by \$30 for each subsequent YOS, to a maximum of 25 YOS
- Stoughton: \$150 after 3 YOS, increases by \$50 for each subsequent YOS
- Sun Prairie: \$250 after 5 YOS, increases by \$50 for each subsequent YOS

**Table 4:** Longevity Bonuses Calculated at Specific YOS

	<b>3 YOS</b>	<b>5 YOS</b>	<b>7 YOS</b>	<b>10 YOS</b>	<b>15 YOS</b>	<b>20 YOS</b>	<b>25 YOS</b>
<b>De Forest</b>	---	---	---	---	---	---	---
<b>Madison<sup>1</sup></b>	\$90 + \$2,500	\$150 + \$2,500	\$210 + \$2,500	\$300 + \$2,500	\$540 + \$2,000	\$790 + \$2,500	\$1,040 + \$2,500
<b>Maple Bluff</b>	---	---	---	\$561.98	\$1,123.95	\$1,685.93	\$2,247.80
<b>Marshall</b>	---	---	---	---	---	---	---
<b>Middleton</b>	\$633.60	\$633.60	\$1,313.58	\$1,313.58	\$2,627.16	\$2,627.16	\$3,940.74
<b>Mt Horeb</b>	---	\$1,091.18	\$1,091.18	\$2,225.04	\$2,225.04	\$2,225.04	\$2,225.04
<b>Oregon</b>	---	---	---	---	---	---	---
<b>Stoughton</b>	\$150	\$250	\$400	\$550	\$800	\$1,050	\$1,300
<b>Sun Prairie</b>	---	\$250	\$400	\$550	\$800	\$1,050	\$1,300
<b>Waunakee</b>	---	\$557.78	\$1,115.57	\$1,115.57	\$1,673.35	\$2,231.14	\$2,788.92
<b>Shorewood Hills</b>	\$180	\$396	\$612	\$936	\$1,476	\$2,016	\$2,556

1. **Madison:** Under the Town’s economic retention plan, current employees receive an annual \$2,500 retention bonus per year. This is projected to end on October 30, 2022.

**Overall Comparison 4: Education-Based Bonuses**

**Table 5: Education-Based Bonuses**

	90 Credit Hours <sup>1</sup>	Associate's Degree	90 – 119 Credit Hours	Bachelor's Degree	≥ 120 Credit Hrs <sup>2</sup>	Master's Degree
De Forest <sup>3</sup>	+ 3%	---	+ 6%	---	---	---
Madison <sup>4</sup>	+ 9%	---	---	18%	---	+ 22%
Mt Horeb	---	---	+ 2%	---	+ 4%	---
Waunakee	---	+ 6% <sup>5</sup>	---	+ 8%	---	---
Shorewood Hills <sup>6</sup>	---	---	---	One step increase on pay grid	---	One step increase on pay grid

1. Most Associate's degrees require 60 – 65 credit hours (Complete College America, Program Requirements for Associate's and Bachelor's Degrees: A National Survey, July 2012)
2. Most Bachelor's degrees require 120 credit hours (Ibid.)
3. De Forest: Eligible after 18 months of service
4. Madison (T): Eligible after 42 months of service
5. Waunakee: 6% bonus for associate's degree or 66 college credit hours
6. Shorewood Hills: Eligible after 3 YOS

**Overall Comparison 5: Base Pay + Longevity Bonuses/Incentive Pay + Education-Based Bonus for a BA/BS**

**Table 6: (Base Pay) + (Longevity Bonus/Incentive Pay) + (Education-Based Bonus) at Specific YOS**

	3 YOS	5 YOS	7 YOS	10 YOS	15 YOS	20 YOS
De Forest	\$58,680.86	\$59,973.21	\$59,973.21	\$66,374.31	\$62,335.79	\$62,335.79
Madison (T)	\$70,732.85	\$75,437.00	\$75,497.00	\$77,587.63	\$77,827.63	\$78,077.63
Maple Bluff	\$47,834.55	\$56,197.50	\$56,197.50	\$56,759.48	\$57,321.45	\$58,445.40
Marshall	\$48,520.35	\$48,520.35	\$48,520.35	\$48,520.35	\$48,520.35	\$48,520.35
Middleton	\$63,993.98	\$66,312.53	\$66,992.51	\$66,992.51	\$68,306.09	\$68,962.88
Mt Horeb	\$55,632.10	\$56,832.75	\$57,832.75	\$60,076.08	\$60,076.08	\$60,076.08
Oregon	\$49,332.00	\$51,576.00	\$53,760.00	\$56,400.00	\$56,400.00	\$57,418.95
Stoughton	\$54,442.50	\$56,618.95	\$56,768.95	\$56,918.95	\$57,168.95	\$57,418.95
Sun Prairie	\$59,778.90	\$61,857.70	\$62,007.70	\$63,319.75	\$64,674.65	\$64,924.65
Waunakee	\$54,829.71	\$60,819.03	\$61,376.82	\$61,376.82	\$61,934.60	\$62,492.39
VOSH	\$45,042.75	\$47,544.75	\$50,065.80	\$52,694.85	\$53,234.85	\$53,774.85

	3 YOS	5 YOS	7 YOS	10 YOS	15 YOS	20 YOS
<b>Median, including Madison and excluding VOSH</b>	\$55,030.31	\$58,030.98	\$58,902.98	\$60,726.45	\$61,005.34	\$61,205.94
<b>Mean, excluding Madison and VOSH</b>	\$54,829.71	\$56,832.75	\$57,832.75	\$58,497.52	\$58,698.77	\$59,260.74
<b>VOSH</b>	\$45,042.75	\$47,544.75	\$50,065.80	\$52,694.85	\$53,234.85	\$53,774.85

**Table 7:** Medians of (Base) + (Longevity Bonus/Retention Pay) + (Education-Based Bonus for a BA/BS)

**Prototypical Wage Schedule 4:** Seven step schedule with 90% of median [(base pay) + (longevity bonus/incentive pay) + (education-based bonus for a BA/BS)] wage for Year 3 as Step 3 and a 2.55% difference between steps throughout, which is the average step difference on current Village schedule  
(Change from current Village wage)

Step 1	Step 2	Step 3	Step 4	Step 5	Step 6	Step 7
\$23.36	\$23.97	\$24.60	\$25.24	\$25.90	\$26.56	\$27.24
(+ \$2.23) (+ 10.6%)	(+ \$2.23) (+ 10.3%)	(+ \$2.27) (+ 10.2%)	(+ \$2.30) (+ 10.0%)	(+ \$2.35) (+ 10.0%)	(+ \$2.41) (+ 10.0%)	(+ \$2.49) (+ 10.0%)

This resembles the Village’s schedule if it were shifted more than 4 steps to the right, with the starting wage more than the current Step 5. The prototypical Step 1 would be \$0.05 more than the current Step 1 for Police Sergeant (Grade 14). The prototypical Step 2 would be \$0.73 less than the median Year 1 wage and \$0.88 above Step 2 for Maple Bluff.

**Specific Comparisons**

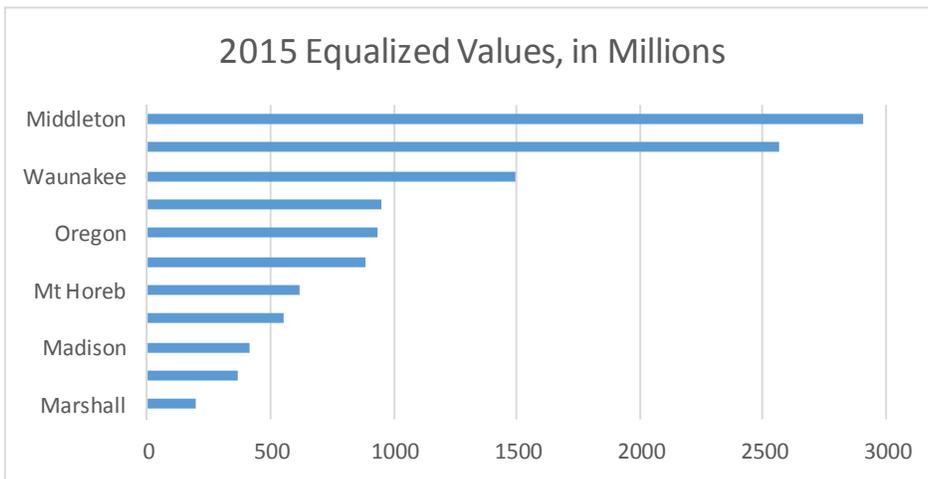
In looking for a comparable municipality, there are a wide range of factors regarding the 1) community and 2) the experience of being a police officer for that community that could be examined.

**Community factors:** Among the community-based factors are geographic proximity to the Village, equalized value, population, household income, and whether the community is rural or urban.

The Village focused on geographic proximity when requesting employment contracts from other municipalities. Equalized value and population totals appear to be the most significant easily quantifiable figures.

**a. Equalized value** (the estimated value of all real and personal property of a taxation district): The **equalized values** of the 11 municipalities varies considerably.

**Chart 4: Equalized Value (all)**



The community with the most similar equalized value is Mt Horeb, with an equalized value 12.1% more than that of the Village's.

There are, however, significant difference between the Village and Mt Horeb. According to US Census Bureau, Mt Horeb encompasses 3.25 square miles compared to 0.80 square miles for the Village. Its population is 269.5% larger than that of the Village. It also has twice as many patrol officer as the Village (see page 16 ).

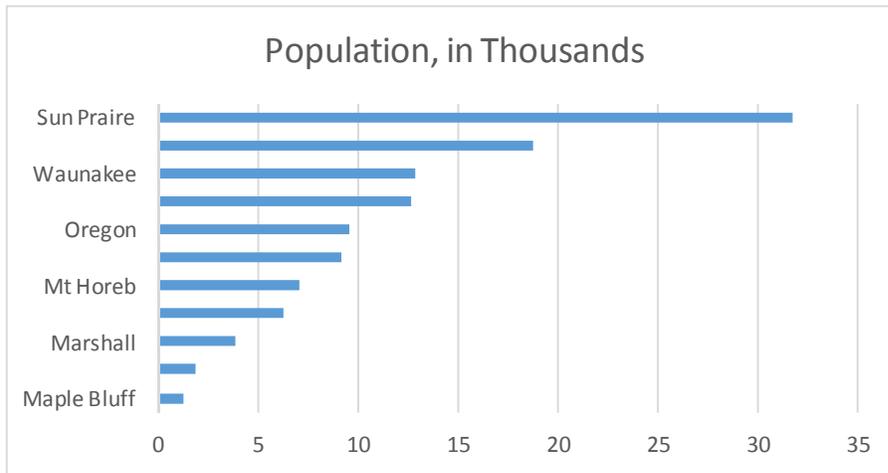
**Prototypical wage schedule 5:** Seven step schedule that uses 90% of Mt Horeb's Year 1 wage as its midpoint and a 2.55% step difference throughout  
(Change from Village wage)

Step 1	Step 2	Step 3	Step 4	Step 5	Step 6	Step 7
\$23.39	\$24.00	\$24.63	\$25.27	\$25.91	\$26.57	\$27.25
(+ \$2.26)	(+ \$2.26)	(+ \$2.30)	(+ \$2.33)	(+ \$2.36)	(+ \$2.42)	(+ \$2.50)
(+ 10.7%)	(+ 10.4%)	(+ 10.3%)	(+ 10.2%)	(+ 10.0%)	(+ 10.0%)	(+ 10.1%)

This resembles the Village's schedule if it were shifted slightly less than 4 steps to the right, with the starting wage slightly below current Step 5. The prototypical Step 1 would be \$0.08 more than the current Step 1 for Police Sergeant (Grade 14). The prototypical Step 2 would be \$1.30 less than the median Year 1 wage.

**b. Population Totals:** There is also a wide range of population totals among the 11 municipalities.

**Chart 5:** Population Totals (all)



Maple Bluff has the most similar population total, with 67.8% of the population total of the Village.

**Prototypical wage schedule 6:** Seven step schedule that uses Maple Bluff’s Year 1 wage as of 7/1/2016 for Step 2 and a 2.55% step difference throughout  
(Change from current Village wage)

Step 1	Step 2	Step 3	Step 4	Step 5	Step 6	Step 7
\$23.09	\$23.69	\$24.29	\$24.91	\$25.55	\$26.20	\$26.89
(+ \$1.96)	(+ \$1.95)	(+ \$1.96)	(+ \$1.97)	(+ \$2.00)	(+ \$2.05)	(+ \$2.14)
(+ 9.3%)	(+ 9.0%)	(+ 8.8%)	(+ 8.6%)	(+ 8.5%)	(+ 8.5%)	(+ 8.6%)

This resembles the Village’s schedule if it were shifted nearly 4 steps to the right, with the starting wage below the current Step 5. The prototypical Step 1 would be \$0.22 below the current Step 1 for Police Sergeant (Grade 14). The prototypical Step 5 wage would slightly less than the current Year 1 median wage.

**2. Factors inherent in the job as a patrol officer for a particular community:** This is where the variability becomes so widespread that it is difficult to make a valid comparison. One basic difference, as mentioned above, is the Village’s lack of a police union. Other issues include the total number of patrol officers, the structure and size of the police department overall, number and types of police calls, representation by a union, number of total patrol officers, flexibility in scheduling, officer-resident relations, officer-employer relations, reputation among law enforcement personnel, promotion opportunities, and the bases for staffing allocations. Much of this would require an extensive compensation survey to obtain and analyze.

There are some issues that have been examined when looking at the data overall, including the number of wage schedule steps to the maximum level and years of service included in the wage schedule, the distance between steps on the schedule, the absence or effect of bonuses such as longevity or educational incentive bonuses. Other factors (e.g., residency requirements, paid leave policies, overtime policies, uniform and equipment provisioning and upkeep policies, shift differentials) are in the appendices.

The Village obtained information from the 10 municipalities about numbers of police personnel for each department.

**Table 8:** Police personnel numbers

	Total	Patrol Officers	Detectives	Sgt	Lt	Other (excluding Chief and part-time officers)
<b>De Forest</b>	15	10	1 investigator	2	1	
<b>Madison (T)</b>	19	13	1	2	0	
<b>Maple Bluff</b>	6	4	0	1	0	
<b>Marshall</b>	6	2	0	1	1	1 school liaison officer
<b>Middleton</b>	37	20	5	6	0	2 school liaison officers, 1 community officer, 2 captains
<b>Mt Horeb</b>	11	8	1	0	1	
<b>Oregon</b>	18	11	2 Det. Sgts	3	1	
<b>Stoughton</b>	20	12	2	3	2	
<b>Sun Prairie</b>	51	30	4 + 1 Det. Sgt	7	2	1 assistant chief, 2 school liaison officers, 1 property officer, 1 community officer, 1 court officer
<b>Waunakee</b>	17	11		4	1	
<b>VOSH</b>	8	4	0	1	1	

The departments with the most similar number of patrol officers and total officers is Maple Bluff. Prototypical Wage Schedule 6 (above) is based on Maple Bluff’s wage schedule.

**Maple Bluff is the Most Similar to the Village**

Looking at the variables discussed above, **Maple Bluff** appears to be the most similar to the Village among the 10 municipalities examined. The Village’s currently wage schedule most closely resembles that of Maple Bluff. Maple Bluff is the closest to the Village in population, number of patrol officers, and total number of officers. It is also the second most similar in equalized value. Geographically, it is slightly smaller: 0.69 square miles versus the Village’s 0.80 square miles. Also, its wage schedule only goes up to Year 5, unlike the Village’s 11-step schedule.

**Table 9:** Maple Bluff’s wage schedule as of 7/1/2016 vs. the Village’s comparable steps

	Starting	Year 1	Year 2	Year 4	Year 5
Maple Bluff	\$22.30	\$23.69	\$25.11	\$26.48	\$29.50
VOSH	\$21.13	\$21.74	\$22.33	\$22.94	\$23.55
Difference <sup>1</sup>	\$1.17 5.5%	\$1.95 9.0%	\$2.78 12.4%	\$3.54 15.4%	\$5.95 25.3%

1. Percent difference is percent of current VOSH wage

**Table 10:** Comparison between totals of (base wage as of 7/1/2016) + (longevity bonus) + (education bonus for a BA/BS) for Maple Bluff and the Village

	3 YOS	5 YOS	7 YOS	10 YOS	15 YOS	20 YOS
<b>Maple Bluff</b>	\$47,834.55	\$56,197.50	\$56,197.50	\$56,759.48	\$57,321.45	\$58,445.40
<b>VOSH</b>	\$45,042.75	\$47,544.75	\$50,065.80	\$52,694.85	\$53,234.85	\$53,774.85
<b>Difference<sup>1</sup></b>	\$2,791.80 6.2%	\$8,652.75 18.2%	\$6,131.70 12.4%	\$4,064.63 7.7%	\$4,086 7.7%	\$4,670.55 8.7%

1. Percent difference is percent of VOSH total

- Maple Bluff’s starting wage is \$0.11 more than that of Village’s starting wage for Police Detectives (Grade 13)
- Prototypical Wage Schedule 6 (above) uses Maple Bluff’s Year 1 wage as Step 2.
- Prototypical Wage Schedule 2 (above) is similar to a schedule based on Maple Bluff’s starting wage. It has a starting wage that is \$0.11 less than that of Maple Bluff and would result in a 5.0% increase in the Village’s Step 1 wage. It uses 90% of median Year 1 wage as Step 2.

**VI. Carlson Dettman Market Estimate**

- CarlsonDettman market average: \$27.50
- 90% of CD market average: \$24.75 (\$0.60 more than the Village’s current midpoint [Step 6])
- 85% of CD market average: \$23.38 (\$0.77 less than the Village’s current midpoint [Step 6])

**Prototypical wage schedule 7:** Seven step schedule that uses 90% of CD’s market average as its midpoint and a 2.55% step difference throughout  
(Change from current schedule)

Step 1	Step 2	Step 3	Step 4	Step 5	Step 6	Step 7
\$22.90	\$23.50	\$24.12	\$24.75	\$25.38	\$26.03	\$26.69
(+ \$1.77)	(+ \$1.76)	(+ \$1.79)	(+ \$1.81)	(+ \$1.83)	(+ \$1.88)	(+ \$1.94)
(+ 8.4%)	(+ 8.1%)	(+ 8.0%)	(+ 7.9%)	(+ 7.8%)	(+ 7.8%)	(+ 7.8%)

This resembles the Village schedule if it were shifted to the right 5 steps, with the starting wage slightly above the current Step 6. The prototypical Step 1 would be \$0.41 below the current Step 1 for Police Sergeant (Grade 14). The prototypical Step 3 is slightly more than the median wage.

**Prototypical wage schedule 8:** Seven step schedule that uses 85% of CD’s market average as its midpoint and a 2.55% step difference throughout  
(Change from current schedule)

Step 1	Step 2	Step 3	Step 4	Step 5	Step 6	Step 7
\$21.63	\$22.20	\$22.78	\$23.38	\$23.98	\$24.59	\$25.22
(+ \$0.50)	(+ \$0.46)	(+ \$0.45)	(+ \$0.44)	(+ \$0.34)	(+ \$0.44)	(+ \$0.47)
(+ 2.4%)	(+ 2.1%)	(+ 2.0%)	(+ 1.9%)	(+ 1.8%)	(+ 1.8%)	(+ 1.9%)

This resembles the Village schedule if it were shifted to slightly less than 1 step to the right, with the starting wage slightly below the current Step 2. The prototypical Step 1 would be \$0.50 more than the current Step 1 for Police Officers. The prototypical Step 2 is \$3.10 less than the median Year 1 wage.

**IV. All Prototypical Wage Schedules Discussed (by amount of increase from current Village wages)**

**Prototypical wage schedule 8: 85% of CD’s market average as its midpoint**

Step 1	Step 2	Step 3	Step 4	Step 5	Step 6	Step 7
\$21.63 (+ 2.4%)	\$22.20 (+ 2.1%)	\$22.78 (+ 2.0%)	\$23.38 (+ 1.9%)	\$23.98 (+ 1.8%)	\$24.59 (+ 1.8%)	\$25.22 (+ 1.9%)

**Prototypical Wage Schedule 2: 90% of median Year 1 wage as Step 2**

Step 1	Step 2	Step 3	Step 4	Step 5	Step 6	Step 7
\$22.19 (+ 5.0%)	\$22.77 (+ 4.7%)	\$23.35 (+ 4.6%)	\$23.95 (+ 4.4%)	\$24.56 (+ 4.3%)	\$25.19 (+ 4.3%)	\$25.83 (+ 4.4%)

**Prototypical Wage Schedule 1: 90% of median/mean starting wage as Step 1**

Step 1	Step 2	Step 3	Step 4	Step 5	Step 6	Step 7
\$22.80 (+ 7.9%)	\$23.38 (+ 7.5%)	\$23.98 (+ 7.4%)	\$24.59 (+ 7.4%)	\$25.22 (+ 7.1%)	\$25.86 (+ 7.1%)	\$26.52 (+ 7.2%)

**Prototypical wage schedule 7: 90% of CD’s market average as its midpoint**

Step 1	Step 2	Step 3	Step 4	Step 5	Step 6	Step 7
\$22.90 (+ 8.4%)	\$23.50 (+ 8.1%)	\$24.12 (+ 8.0%)	\$24.75 (+ 7.9%)	\$25.38 (+ 7.8%)	\$26.03 (+ 7.8%)	\$26.69 (+ 7.8%)

**Prototypical wage schedule 6: 100% of Maple Bluff’s Year 1 wage as Step 2**

Step 1	Step 2	Step 3	Step 4	Step 5	Step 6	Step 7
\$23.09 (+ 9.3%)	\$23.69 (+ 9.0%)	\$24.29 (+ 8.8%)	\$24.91 (+ 8.6%)	\$25.55 (+ 8.5%)	\$26.20 (+ 8.5%)	\$26.89 (+ 8.6%)

**Prototypical Wage Schedule 4: 90% of median [(base) + (longevity) + (education)] for Year 3 as Step 3**

Step 1	Step 2	Step 3	Step 4	Step 5	Step 6	Step 7
\$23.36 (+ 10.6%)	\$23.97 (+ 10.3%)	\$24.60 (+ 10.2%)	\$25.24 (+ 10.0%)	\$25.90 (+ 10.0%)	\$26.56 (+ 10.0%)	\$27.24 (+ 10.0%)

**Prototypical wage schedule 5: 90% of Mt Horeb’s Year 1 wage as its midpoint**

Step 1	Step 2	Step 3	Step 4	Step 5	Step 6	Step 7
\$23.39 (+ 10.7%)	\$24.00 (+ 10.4%)	\$24.63 (+ 10.3%)	\$25.27 (+ 10.2%)	\$25.91 (+ 10.0%)	\$26.57 (+ 10.0%)	\$27.25 (+ 10.1%)

**Prototypical Wage Schedule 3: 90% of median Step 5 wage as Step 5**

Step 1	Step 2	Step 3	Step 4	Step 5	Step 6	Step 7
\$23.94 (+ 13.3%)	\$24.57 (+ 13.0%)	\$25.21 (+ 12.9%)	\$25.87 (+ 12.8%)	\$26.55 (+ 12.7%)	\$27.23 (+ 12.8%)	\$27.92 (+ 12.8%)

## Appendix A: Range Spreads

Examining maximum scheduled wages relative to years to maximum provides one measure of salary opportunity (above). Another is range spread. The range spread is the width of the pay range measured by the ratio of the maximum pay to the minimum pay and expressed as a percentage of the minimum pay  $[(\text{Max} - \text{Min})/\text{Min}] \times 100$ . In general, jobs with larger pay values (e.g., executive jobs) usually have wider range spreads than jobs with smaller pay values (e.g., clerical jobs).

**Table 11:** Range spreads

	Range Spread [(Max – Min)/Min] * 100]
<b>Marshall</b>	9.2%
<b>VOSH</b>	12.5%
<b>Mt Horeb</b>	13.8%
<b>Stoughton</b>	16.8%
<b>Oregon (hired on 1/1/16 or later)</b>	18.2%
<b>De Forest</b>	18.5%
<b>Oregon (hired as of 12/31/15)</b>	19.0%
<b>Middleton</b>	19.4%
<b>Stoughton</b>	16.8%
<b>Waunakee</b>	20.8%
<b>Sun Prairie</b>	21.3%
<b>Maple Bluff<sup>1</sup></b>	32.3%

**1. Maple Bluff:** Based on wages as of 7/1/2016

## Appendix B: Available information regarding wages for non-patrol officers in other municipalities

### De Forest

- Detective: \$31.64
- Certified Field Training Officer: Additional 50 cents/hr for assigned training time
- Police School Resource Officer: Wages same as police officer scale; different holidays, vacation, extra days

### Madison

- Field Training Officer: \$37.50 each pay period of training
- Detective: \$27.87 starting; \$29.74 one year; \$32.43 two years; \$34.28 four years; \$35.58 eight years

### Marshall

- Sergeant: \$26.06 per hr

### Middleton

- Police Officer II and III are educational and incentive training levels; both pay \$34.27 per hour

### Oregon

- Field Training Officer: Additional 50 cents/hr for assigned training time
- Detective: First year: \$100/mo; after the first year, pay is 4% above detective's applicable PO step rate

- Corporal: \$50/mo increase from applicable PO step rate

### Stoughton

- Field Training Officers: Additional 50 cents/hr for assigned training time
- Sergeant: \$28.50 starting; \$29.69 one year; \$30.89 two years; \$32.10 three years; \$33.32 four years
- Detective: \$25.86 starting; \$27.00 one year; \$28.10 two years; \$29.34 three years; \$30.36 four years

### Sun Prairie

- Detective, as of 7/1/2016: Base starting pay: \$34.29. Starting pay for those with 10 years as police officer: \$34.91. Starting pay for those with 15 years as PO: \$35.51. Base 2-year pay: \$36.00. Two-year pay for those with 10 years as PO: \$36.60. Two-year pay for those with 15 years as PO: \$37.20.

## Appendix C: Residency Requirements

1. **Oregon:** After completing probationary period, primary residence must be within a 30-mile radius of the village police station
2. **Stoughton:** New hires must reside within 20 miles of city limits
3. **Waunakee** All regular employees must reside within 30 miles of the village limits within 18 months of starting employment. The k-9 handler must reside within a 15-mile radius of the center of the intersection of Highways 19, 13, and Q.

## Appendix D: Probationary Periods

### **De Forest (V): 2015 – 2016**

- 18 months

### **Madison (T): 2015 – 2016**

- Initial recruit and/or field training period plus an additional 12 months of solo patrol, for a maximum of 18 months
- Extended only to offset any leave time taken

### **Maple Bluff (V): 2014 – 2016**

- 12 months
- May be extended by police chief an additional 6 months

### **Marshall (V): 2015 – 2017**

- 18 months

### **Middleton**

- 18 months (Middleton ordinance §27.13)

### **Mt Horeb (V): 2014 – 2016**

- 12 months
- Can be extended if first year not satisfactorily completed, but extension can't exceed 6 months
- New promotions have an initial 6-month trial period that must be successfully completed to go to next step of pay

### **Oregon (V): 1/1/2016 – 12/31/2017**

### **No Probationary Period**

- VOSH
- Stoughton

### **Maximum probationary period of 18 months**

- De Forest
- Madison
- Maple Bluff
- Marshall
- Middleton
- Mt Horeb
- Oregon
- Sun Prairie
- Waunakee

- 18 months plus any extensions necessary to complete legally required training

**Sun Prairie (City): 1/1/2015 – 12/31/2017**

- 18 months for new hires; no extensions
- 12 months for promotion to a higher classification

**Waunakee (V): 2016**

- 18 months
- Extended only by consent of the WI Professional Police Ass'n

**Appendix E: Shift Premium Pay**

**No shift premiums**

- Maple Bluff
- Mt Horeb

**\$0.20 - \$0.25/hr**

- Oregon: \$0.20/hr for 6 pm – 12 midnight and \$0.25 for 12 midnight – 6 am
- **VOSH:** \$0.25 for 3 pm – 11 pm

**\$0.40 - \$0.49/hr**

- Madison (T): \$0.40/hr for 3 pm – 11 pm and \$0.45/hr for 11 pm – 7 am
- Marshall: \$0.40/hr for 7 pm – 7 am
- De Forest: \$0.45/hr for 6 pm – 6 am

**\$0.50/hr**

- **VOSH:** 11 pm – 7 am
- Stoughton: 2 pm – 6 am
- Sun Prairie: 6 pm – 11 pm Waunakee: 10 pm – 6 am

**\$0.60/hr**

- Sun Prairie: 11 pm – 7 am

**\$1.25/hr**

- Middleton for 6 pm – 7 am

## Appendix F: Holidays and Sick Leave

**Table 11:** Holidays and Sick Leave

	Specified Holidays per Year	Floating Holidays/Personnel Days per Year	Sick Leave Accrual Rate	Maximum Sick Leave Accrual per Year
<b>De Forest</b>	10	2	4 hrs/pay period	650 hours
<b>Madison (T)</b>	9	2	3.69 <sup>1</sup> hrs/pay period after first 6 mo	126 days (1,008 hrs)
<b>Marshall</b>	7	3 four-hour periods	8 hrs/mo	Not specified
<b>Maple Bluff</b>	9	2	8 hrs/mo <sup>2</sup>	1,200 hours
<b>Middleton</b>	7	3	8.5 hrs/mo	977.5 hours
<b>Oregon</b>	8	2	1 day/mo <sup>3</sup>	90 days (720 hrs), but may be extended by Board
<b>Stoughton</b>	8	2	96 hrs/yr	No maximum
<b>Sun Prairie</b>	8 <sup>4</sup>	1	1 day/mo	140 days (1,120 hrs)
<b>Waunakee</b>	6 + 3 half-days	29 hours	1 day/mo	1,188 hours
<b>VOSH</b>	10	3	1 day/mo	120 days (960 hrs)

1. Madison: Eligible to take sick leave after initial 6 months of service
2. Maple Bluff: Eligible after completion of probationary period, which can be up to 18 months
3. Oregon: Eligible after initial 6 months of service
4. Sun Prairie: Has a holiday bank of 11 holidays/88 hrs that holidays must be drawn from

### Specified Holidays

VOSH and all municipalities studied recognize New Year's Day, Memorial Day, 4<sup>th</sup> of July, Labor Day, Thanksgiving, and Christmas Day

- **MLK Jr. Day:** Shorewood Hills, Stoughton; 1 of 3 floating holidays for Middleton is in recognition of MLK Jr.
- **Presidents' Day (Feb. 20):** Sun Prairie
- **Good Friday:** Madison (T), Oregon; Waunakee gives comp time or additional pay
- **Easter:** De Forest, Madison (T), Maple Bluff, Sun Prairie
- **Day after Thanksgiving:** Shorewood Hills, De Forest, Maple Bluff, Middleton
- **Christmas Eve:** Shorewood Hills, De Forest after 3 pm, Waunakee gives comp time or additional pay; all others except Sun Prairie
- **New Year's Eve:** Shorewood Hills, De Forest after 3 pm, Middleton, Waunakee gives comp time or additional pay

## Appendix G: Significance of Seniority with regard to Scheduling and Layoffs

**Shorewood Hills:** Personnel Policy Manual, v. 3/19/2012

- Seniority explicitly not used in deciding layoffs and recall

**De Forest (T):** 2015 – 2016

- Vacation scheduling
- Layoff priority
- Shift scheduling

**Madison (T): 2016**

- Job opening preference
- Vacation scheduling: only to resolve conflicts
- Layoff priority
- Shift preference from January 1 to July 1

**Maple Bluff (V): 2014 – 2016**

- Layoff priority and recall priority

**Marshall (V): 2015 – 2017**

- Shift selection for the year
- Vacation scheduling
- Layoff priority

**Middleton (City): 2016 – 2018**

- Shift scheduling

**Mt. Horeb (V): 2014 – 2016**

- Shift selection when less than 14 days' notice of an open shift; more senior officers can bump less senior officers

**Oregon (V): 1/1/2016 – 12/31/2017**

- Layoff and recall priority
- Vacation scheduling

**Stoughton (City): 2014 – 2015**

- Shift assignments
- Vacation scheduling

**Sun Prairie (City): 1/1/2015 – 12/31/2017**

- Vacation scheduling
- Shift assignments, with seniority-based bumping by consent of the police chief
- Overtime assignments with more than 14 days' notice
- Layoff priority
- Open positions

**Waunakee (V): 2016**

- Layoff and recall priority
- Scheduling

**Appendix H: Reimbursement for Related, Approved Education Costs**

**None**

- De Forest
- Middleton
- Stoughton
- Sun Prairie
- Waunakee

**Seniority: Layoff Priority**

NOT a factor

- VOSH
- Middleton
- Stoughton

## **Reimbursement Cap**

- Shorewood Hills: \$500/yr
- Madison: \$1,200/yr
- Maple Bluff: One course/yr
- Marshall: no cap
- Mt. Horeb: \$800/yr

## **Appendix I: Maximum Allowed Accrual of Compensatory Time**

### **No Cap**

- Shorewood Hills

### **40 – 65 Hours**

- De Forest (64 hours)
- Maple Bluff: Chief may require the use of comp time once > 60 hours has been accrued
- Marshall (60 hrs)
- Mt Horeb (42.5 hrs)
- Oregon (60 hrs)
- Sun Prairie (60 hrs)

### **≥ 65 Hours**

- Middleton (104 hrs)
- Stoughton (104 hrs)
- Waunakee (80 hrs)

## **Appendix J: Vacation**

### **Shorewood Hills:** Personnel Policy Manual, v. 3/19/2012

- 0 – 1 YOS: 1 day/mo beginning at the start of the 3<sup>rd</sup> month, up to 10 days
- 1 – 3 YOS: 10 days/yr
- 4 – 17 YOS: 10 days/yr plus one additional day/yr
- 18+ YOS: 25 days/yr

### **De Forest (V):** 2016 - Regular FT hired after 1/1/13

- During yr 1 : 6 days
- During yr 2: 12 days
- During yr 5: 15 days
- During yr 7: 18 days
- During yr 11: 21 days
- During yr 15: 24 days

### **Madison (T):** 2016

- After 1 YOS: 2 weeks
- After 5 YOS: 2 weeks, 2 days
- After 7 YOS: 3 weeks
- After 12 YOS: 3 weeks, 2 days
- After 15 YOS: 4 weeks
- After 20 YOS: 5 weeks

**Maple Bluff (V): 2014 – 2016**

- After 1 YOS – end of 4 YOS: 10 days
- After 5 YOS – 9 YOS: 15 days
- After 10 YOS – 12 YOS: 18 days
- After 13 YOS – 20 YOS: 20 days
- After 21 YOS and each year thereafter: 25 days

**Marshall (V): 2015 – 2017**

- After 1 YOS: 1 week or 40 hrs
- 2 YOS: 2 weeks or 80 hours
- Years 3 - 15: [2 weeks or 80 hours] + [1 additional day per year], up to 4 weeks or 160 hours
- After 15 years: [2 weeks or 80 hours] + [2 additional days per year], up to 5 weeks or 200 hours

**Middleton (City): 2016 – 2018**

- Years 1 – 2 YOS: 12 days
- After 3 YOS: 13 days
- After 4 YOS: 14 days
- After 5 – 8 YOS: 15 days
- After 9 YOS: 18 days
- After 10 – 13 YOS: 20 days
- After 14 YOS: 21 days
- After 15 YOS: 24 days
- After 16 YOS: 25 days
- After 17 YOS: 26 days
- After 18 YOS: 27 days

**Mt. Horeb (V): 2014 – 2016**

- New hires may earn but can't receive vacation time during their first year
- After 1 YOS r: 85 hours
- After 6 YOS: 127.5 hours (5.3 days)
- On 10 YOS and beyond: 8.5 additional hours per year up to a maximum of 170 hours (7.1 days)

**Oregon (V): 1/1/2016 – 12/31/2017**

- After 1 YOS: 1 week (48 hours)
- After 2 YOS: 2 weeks (96 hours)
- After 7 YOS: 3 weeks (144 hours)
- After 12 YOS: 4 weeks (192 hours)

**Stoughton (City): 2014 – 2015**

- Vacation week = 6 workdays
- After 1 YOS : 1 week
- 2 – 5 YOS: 2 weeks
- 6 – 9 YOS: 3 weeks
- 10 – 19 YOS: 4 weeks
- 20 YOS and above: 5 weeks

**Sun Prairie (City): 1/1/2015 – 12/31/2017**

- After 1 YOS: 6 days
- 2 – 4 YOS: 12 days

- 5 – 14 YOS: 18 days
- 15 – 19 YOS: 21 days
- 20 YOS and beyond: 25 days

**Waunakee (V): 2016**

- After 6 mo: 49.5 hours
- After 2 YOS: 99 hours
- After 6 YOS: 18.5 hours
- After 11 YOS: 176 hours
- After 15 YOS: 198 hours

**Appendix K: Bereavement Leave Maximums**

**Shorewood Hills: Personnel Policy Manual, v. 3/19/2012**

- 5 days for the death of a child, step-child, foster child, spouse, or domestic partner
- 3 days for the death of a grandchild, grandparent, spouse's parent, sibling, niece, or nephew

**De Forest (V): 2015 – 2016**

- 5 days for the death of a spouse, child, step-child age 18 years or younger who had been residing in household, legal guardian, or parent
- 3 days for the death of step-child over age of 18, sibling, parent of spouse, grandchild
- 1 day for the death of son or daughter-in-law, aunt, uncle, grandparent, or step-sibling, and for the death of spouse's grandparent, sibling, grandchild, step-parent, or step-child

**Madison (T): 2015 – 2016**

- 3 days for the death of a spouse, parent, child, step-child, sibling, or any person residing in the employee's household and their dependents
- 1 day to attend the funeral of spouse's parent or sibling, grandparent, spouse's grandparent, grandchild, or spouse's grandchild

**Maple Bluff (V): 2014 – 2016**

- 3 days for the death of a spouse, child, step-child, parent, spouse's parent, grandparent, grandchild, sibling, or spouse's sibling
- Time off with pay granted at the Chief's discretion for the employee to act as a pallbearer for a deceased friend or relative

**Marshall (V): 2015 – 2017**

- 3 days for the death of a spouse, significant other with whom the employee has shared at least 5 years of continuous residency, registered domestic partner, parent, step-parent, child, step-child, or grandchild; leave can't extend more than 4 days beyond the day of the funeral
- 1 days for the death of a sibling, grandparent, or spouse's parent; leave can't extend more than 3 days beyond the day of the funeral
- 12 hours for the death of an aunt, uncle, first cousin, niece, nephew, spouse's grandparent, or spouse's sibling; leave can't extend beyond the day after the funeral

**Middleton (City): 2016 – 2018**

- 5 days for the death of a child, spouse, sibling, or parent

- 3 days for the death of a grandchild, grandparent, daughter-/son-in-law aunt, or uncle; spouse’s parent or sibling; or “applicable step relatives”

**Mt. Horeb (V): 2014 – 2016**

- 3 days for the death of a child, spouse, parent, sibling, grandparent, or parent of spouse
- 1 day for the death of spouse’s sibling or grandparent

**Oregon (V): 1/1/2016 – 12/31/2017**

- 3 days for the death of a spouse, child, parent, parents-in-law, brother, or sister
- 1 day for the death of a brother-/sister-in-law, grandparent, grandparent of spouse
- Day(s) must be the day of death, the days following, and ending with the day of the funeral

**Stoughton (City): 2014 – 2015**

- Maximum of 3 days for the death of:
  - spouse;
  - children, step-children, foster children, spouse’s children;
  - parents, step-parents, foster parents, spouse’s parents,
  - grandparents, spouse’ grandparents;
  - aunts, uncles,
  - siblings and their spouses and children, spouse’s siblings
- For other than the family listed, maximum of 4 hours allowed if approved by dep’t head, to be taken as sick leave, comp time, vacation, or leave without pay (employee’s choice)

**Sun Prairie (City): 1/1/2015 – 12/31/2017**

- Maximum of 5 days for the death of a spouse, child, parent, sibling, or grandparent
- Maximum of 3 days for the death of a step-child, step-parent, parent of spouse, grandchild, grandparent of spouse, sibling of spouse, great-grandparent, or relative of employee or spouse who lives in the employee’s house
- Maximum of 1 day to attend the funeral or memorial service of an aunt, uncle, cousin, niece, or nephew

**Waunakee (V): 2016**

- Employees use accrued sick leave for bereavement leave
- Maximum of 5 shifts for the death of a spouse or child
- Maximum of 3 shifts for the death of a parent, step-parent, sibling, or step-sibling
- Maximum of 1 shift for the death of a sibling of spouse, parent of spouse, aunt, uncle, or grandparent

**Appendix L: Uniforms and Equipment**

**Shorewood Hills: Personnel Policy Manual, v. 3/19/2012**

- Village supplies a uniform to all required to wear one
- Unspecified uniform allowance set by Board
  - Clothing items covered by allowance: shirts, trousers, jackets, sweaters and vests, hats, shoes, leather goods, and rain wear
  - Equipment items covered by allowance: badges and emblems
- Village provides handcuffs, departmental keys, and metal batons
- Firearm: employee purchases per department specifications
- Protection vest: Village provides ballistic vest (no replacement, type, or maximum cost specified)
- No reimbursement or turn-in requirement for departing employees

**De Forest (V): 2015 – 2016**

- \$600 annual allowance
- Purchase requests submitted to the village for direct payment to supplier
- Village will pay 50% of replacement cost for uniform items damaged in the line of duty and rendered unusable
- Firearm: not specified
- Protective vest: not specified
- Personal property damaged in the line of duty: Village will pay \$250 for wristwatch if repair cost > replacement cost; replacement for eyeglasses damaged beyond use to purchase same type of glasses; and \$50 to replace eyeglass frames
- If an employee voluntarily leaves the department within a year of hire, \$200 must be repaid

**Madison (T): 2015 – 2016**

- New hires: Provided a uniform and given \$50 for equipment purchases
- After the first year: Voucher credit for \$525 for approved purchases, which can be carried over
- Firearm: Officers may use their clothing allowance to purchase one authorized handgun every 2 years. Any firearm purchased with clothing allowance funds must be owned and in possession of the officer for at least 12 months after purchase.
- Protective vest: not specified
- All equipment furnished by the Town within 6 months of termination must be returned. Terminating probationary employees must return all uniform and equipment items

**Maple Bluff (V): 2014 – 2016**

- \$750 annual uniform maintenance allowance, paid in lump sum on February 1 of each year
- Initial hire: \$1,500 initial uniform allowance. If new hire had been PT with the Village, the Village receives credit for amount paid over the past year for that employee's uniform/equipment.
- If an employee leaves employment within the first 2 years of FT work, the employee must return 50% of the uniform allowance
- Firearm: not specified
- Protective vest: not specified
- Personal property damaged in the line of duty: The Village will pay total costs of repair or replacement for any personal property or department-issued items that were damaged, destroyed, or lost in the line of duty as long as the damage or loss was not due to the employee's negligence

**Marshall (V): 2015 – 2017**

- \$750/yr allowance for uniform and equipment purchases, with the Village paying directly to vendors; up to half may be carried over and used before the following July 1
- Must be paid back in full if an employee leaves within one year of hire
- Firearm: not specified
- Protective vest: The Village provides body armor of at least a Threat II level that is replaced per manufacturer's specifications; must be returned up conclusion of employment
- Personal property damaged in the line of duty: may submit a claim to the Village for repair or replacement reimbursement for items damaged by actions/circumstances created by a third party; no cap on reimbursement specified

**Middleton (City): 2016 – 2018**

- City provides shirts, trousers, jackets, raincoats, shoes, hats, and ties
- City also provides authorized ammunition, leather, badges, and flashlights and batteries
- Employees not required to wear a regulation uniform are given \$525 per year for a clothing reimbursements
- Firearm: not specified
- Protective vest: furnished by the City
- Personal property damaged in the line of duty: not specified

**Mt Horeb (V): 2014 – 2016**

- \$525 per year; can be carried over to next year, with \$1,050 carry-over maximum
- Firearm: not specified
- Protective vest: The Village provides new hires with a ballistic vest, with maximum cost of \$700/vest; replaced per manufacturer's specifications
- Personal property damaged in the line of duty: not specified

**Oregon (V): 1/1/2016 – 12/31/2017**

- Uniform items the village provides to new hires at no cost: 3 trousers, 3 shirts (plus 2 additional during the next season), 1 cap (plus 1 additional during the next season), 2 clip-on neckties, 2 name bars, 2 collar insignias, 1 belt, 1 multi-season jacket, 3 badges (2 breast, 1 hat), and a whistle and chain,
- Equipment the village provides to new hires at no cost: 1 baton, 1 protective head gear, 1 duty belt, 1 handgun holster, 1 handcuff carrying case, 2 sets of handcuffs, flashlight and batteries, and a rain coat
- After the first 18 months of employment, employees receive a bank of \$550 every January 1 to purchase uniforms from purchasers who have agreed to make a credit sale with the village. This can be carried over from one year to the next.
- Firearm: Village supplies pistol
- Protective gear: Village supplies protective vest. Officers receive a new protective vest 5 years after the purchase of their existing vests
- Personal property damaged in the line of duty: Village will reimburse for damage to wrist watches and eyeglasses, with no cap specified
- If an employee leaves within 18 months to take a position with another law enforcement agency, they employee must reimburse the village for the cost of trousers, shirts, caps, neckties, name bars, collar insignias, and multi-season coat

**Stoughton (City): 2014 – 2015**

- City provides to new hires: winter and summer hats, squad jacket, rain gear, 2 trousers, sweater, summer and winter shirts (2 each), 2 turtlenecks, tie and tie tac/pin, name plate, 2 versions of a belt, and gloves, footwear
- City also provides to new hires: handcuffs and case, key strap, belt keepers, holster, pistol lock, baton, squad case, form holder, whistle, badge wallet, flashlight, OC holder, radio sleeve
- \$500/yr for uniformed unit employees
- Firearm: Village pays for all firearms prescribed by the Chief. The Village will replace or repair any firearm it pays for when necessary due to normal wear and tear throughout the course of employment
- Protective gear: Vest provided by City and replaced according to manufacturer's specifications
- Personal property damaged in line of duty: City replaces watches up to \$50, eyeglasses up to \$200, and contact lenses up to \$100
- If an officer terminates employment within the first year of service, all uniform and equipment items must be returned

**Sun Prairie (City): 1/12015 – 12/31/2017**

- New hires receive \$100 initial clothing allowance; terminating probationary employees must reimburse this on a monthly prorated basis
- After one year of continuous service: \$700 per year for authorized clothing and equipment
- Firearm: not specified
- Protective vest: City provides up to \$800 per officer for new body armor that must be no lower than a Threat II level, replaceable when warranty expires. Non-probationary officers may take unexpired vests with them upon leaving employment.
- Personal property damaged in line of duty: reimbursed per the City's employment manual

**Waunakee (V): 2016**

- New hires receive an initial uniform and equipment
- At the beginning of each year, the village issues officer \$600 debit cards to purchase approved uniform or equipment items; card is invalidated on Dec. 1 of each year
- Firearm: not specified
- Protective vest: Part of the initial uniform issued to new hires

**Appendix M: Insurance**

**Shorewood Hills:** Personnel Policy Manual, v. 3/19/2012

- Health: Village pays 10% of employee premium costs.
- Dental: No Village contribution to employee premium costs mentioned
- Life: Employees may participate in the WI Public Employers Group Life Insurance program, with the Village paying 100% of the basic plan premium. (Spouse and dependent, supplemental, and additional plans also available at employee's cost). Accidental death and dismemberment benefits paid in addition to group life insurance payment in the event of an employee's death.
- Income continuation/long-term disability: Village provides coverage through the WI Retirement System Long Term Disability Insurance plan, subject to a waiting period determined by the carrier. While an employee who has worked for more than 5 years (permanent PT or FT) is on Insurance Continuation, the Village will pay its share of premiums for 6 months. It will pay its share for 3 months for permanent PT or FT employees who have worked less than 5 years.
- IRC § 125 Cafeteria Benefits Plan: offered; prorated for PT

**De Forest**

- Health: Village pays 95% of premium costs for employees and dependents; prorated for PT
- Dental: Village pays 100% of premium costs for employees and dependents; prorated for PT
- Life: Village pays for life insurance
- Income continuation/long-term disability: Village pays 100% of premium costs for unspecified long-term disability coverage for injuries and illnesses not covered by Worker's Comp
- IRC § 125 Cafeteria Benefits Plan: not specified

**Madison (T): 2015 – 2016**

- Health: Town pays 90% of premiums for coverage offered by Town; those who opt out of coverage are paid \$350/calendar year
- Dental: Offered, but employees must pay 100% of premiums
- Life: not specified
- Income continuation/long-term disability: not specified
- IRC § 125 Cafeteria Benefits Plan: provided

**Maple Bluff (V): 2014 – 2016**

- Health: Village pays 88% of the least costly qualified monthly plan/comparable plan premiums
- Dental: Village pays 88% of the least costly qualified monthly plan/comparable plan premiums
- Life: Village provides one unit of group coverage in the WI Public Employers Group Life Insurance program and pays 40% of premiums. (Spouse and dependent, supplemental, and additional plans also available at employee's cost).

**Percentage of Employee Health Premium Costs Paid by Municipality**

**Not Mentioned:** Middleton

**100%:** Sun Prairie

**90 – 97%**

- De Forest (95%)
- Madison (90%)
- Oregon (95%)
- Stoughton (97%)

**88%**

- Maple Bluff
- Marshall
- Mt Horeb
- Waunakee

**10%:** VOSH

- Income continuation/long-term disability: not specified
- IRC § 125 Cafeteria Benefits Plan: not specified

**Marshall (V): 2015 – 2017**

- Health: Village pays 88% of average premium cost of qualified health plans for FT employees and 75% for part-time
- Dental: not specified
- Life: not specified
- Income continuation/long-term disability: Village offers coverage under the WI Public Employees' Income Continuation Insurance plan; elimination period not specified
- IRC § 125 Cafeteria Benefits Plan: not specified

**Middleton (City): 2016 – 2018**

- Health insurance: Not specified
- Dental: City pays 100% for employees without dependents and 75% for those with dependents
- Life: Death and dismemberment insurance paid by the City
- Income continuation/long-term disability: City offers coverage under the WI Local Government Employees Income Continuation Insurance program; effective only if at least 65% of qualified employees elect to participate; no elimination period specified
- IRC § 125 Cafeteria Benefits Plan: not specified

**Mt. Horeb (V): 2014 – 2016**

- Health: Village pays 88% of average premium cost; prorated for PT; provided under the WI Public Employees Group Health Insurance Plan
- Dental: Village pays amount equal to 88% of the gross monthly premium
- Life insurance: Village pays for basic coverage under the WI Public Employers Group Life Insurance program; coverage for spouse/dependents available and paid by employee through payroll deductions
- Income continuation/long-term disability: Village offers coverage under the WI Local Government Employees Income Continuation Insurance program; no elimination period specified
- IRC § 125 Cafeteria Benefits Plan: provided

**Oregon (V): 1/1/2016 – 12/31/2017**

- Health: Village pays 95% of premium of the WI Public Employees Group Health Insurance Program's lowest-cost qualified plan, if it participates in it
- Dental: Not specified
- Life: Village pays the mandated employer contribution for employees participating in the WI Public Employers Group Life Insurance program
- Income continuation/long-term disability: Village offers coverage under the WI Retirement System Long Term Disability Insurance plan and pays for the cost of participation up to a rate of 0.25% of an employee's covered salary for a 90-calendar day waiting period, with all other premium costs paid by employee
- IRC § 125 Cafeteria Benefits Plan: may be provided

**Stoughton (City): 2014 – 2015**

- Health: City pays 97% of total premium costs if it provides coverage
- Dental: City pays 97% of total premium costs if it provides coverage
- Life: City pays all premium costs for its existing group plan
- Income continuation/long-term disability: unclear; Village offers coverage under the WI Local Government Employees Income Continuation Insurance program; 90-day elimination period
- IRC § 125 Cafeteria Benefits Plan: not specified

**Sun Prairie (City): 1/1/2015 – 12/31/2017**

- Health: City pays 100% of lowest plan option
- Dental: City pays 100% of lowest plan option
- Life: City pays 100% of life and accidental death and disability coverage that is equal employee's salary; city offers a dependent life insurance program and a supplemental life insurance program, with all premiums paid by employees
- Income continuation/long-term disability: City offers coverage under the WI Local Government Employees Income Continuation Insurance program, with 180-day elimination period
- IRC § 125 Cafeteria Benefits Plan: provided

**Waunakee (V): 2016**

- Health: Village pays up to 88% of average premium cost of standard or alternative plan offered
- Dental: Village pays 100% of current plan
- Life: Village pays 100% of the monthly premium of provided or comparable coverage
- Income continuation/long-term disability: available through the WI Public Employee's Group Income Continuation Insurance Program, with 60-day elimination period (benefits start after first 60 days of being continuously and completely absent from work )
- IRC § 125 Cafeteria Benefits Plan: not specified



March 11, 2016

**MEMORANDUM**

**TO:** Karl Frantz, Village Administrator

**FR:** Charlie Carlson

**RE:** Compensation Plan Review

We have completed our market analysis of the Village of Shorewood Hills compensation plan. A brief review of our methodology and our observations and recommendations follows.

We developed the Village compensation plan several years ago and have assisted in maintaining it by responding to requests from you for position classification recommendations as positions are added or modified. Certainly, the 2008 recession, state budget responses, and the massive changes in public employment law have made this an untypical period in local employment markets. In this context, where is the Village positioned?

We analyzed public sector data for positions we could match from the following area communities: Middleton, Monona, Lake Mills, Sun Prairie, Verona, McFarland, Blooming Grove, Dunn, Cottage Grove, Maple Bluff, Oregon, Spring Green, Windsor, and Waunakee. For private sector data, we used the Madison area information from the U.S. Department of Labor Bureau of Labor Statistics (BLS).

We need to note here that job matching with smaller communities is more art than science because job duties tend to be combined based on need and talent. For example, your Village has a position titled Director of Public Works; however, the duties of the position are more aligned with what we would see in a streets superintendent position. With these nuances acknowledged, I have attached a brief summary of the market matches we felt comfortable reporting. What do we conclude?

Overall, as I believe the table on the following page indicates, the Village has pay ranges with maximum rates that are competitive with the market estimates. The Village is able to recruit quality applicants with the current pay ranges and has almost no turnover. What we need to discuss with the Committee is whether this meets the policy needs of the community.

Charles E. Carlson  
charles.carlson@carlsondettmann.com  
608.239.7991

The one area of concern is the salary levels for police officers. I know they have voiced their concern to the Village, and I suggest we have a thorough discussion with the Committee at our meeting on Monday, March 22.

Job Title	Min.	CURRENT			MARKET ESTIMATE
		Midpt	Max.	Avg Actual	
Police Chief, Fire Chief/EMS	\$31.00	\$35.42	\$39.85	\$41.45	\$43.75
Public Works Director	\$28.35	\$32.40	\$36.45	\$35.00	\$37.50
Village Clerk	\$28.35	\$32.40	\$36.45	\$36.45	\$32.00
Police Lieutenant*	\$25.71	\$29.39	\$33.07	\$33.06	\$40.00
Police Sergeant*	\$23.31	\$26.63	\$29.97	\$31.17	\$35.00
Police Detective*	\$22.19	\$25.37	\$28.54		\$30.00
Police Officers	\$21.13	\$24.15	\$27.18	\$25.34	\$27.50
Forester & Horticulturist	\$21.13	\$24.15	\$27.18	\$26.67	\$27.10
Public Works Crew Old	\$19.20	\$21.95	\$24.68	\$22.98	\$22.00
Emergency Srv./Admin. Asst	\$19.20	\$21.95	\$24.68	\$24.68	\$21.50
Deputy Clerk/Admin.Asst.	\$18.30	\$20.91	\$23.52	\$23.53	\$22.00
Records Clerk/Administrative	\$16.21	\$18.52	\$20.83		\$18.50
Police Clerk	\$13.96	\$15.95	\$17.94	\$17.14	\$16.00
Data Entry and Maintenance	\$13.26	\$15.16	\$17.06	\$16.68	\$15.00

\* Receive overtime

You also asked us to evaluate the grade placement of three positions: Emergency Services Coordinator/Administrative Assistant, Community Service Officer/Police Clerk, and the Village Forester & Horticulturist. I believe the current grades are appropriate for the Emergency Services Coordinator/Administrative Assistant and the Forester & Horticulturist positions. The Community Service Officer/Police Clerk position became a full-time position with added responsibilities, and I recommend it be allocated to Grade 9.

Please let me know if you have any questions regarding this summary memorandum.

**VILLAGE OF SHOREWOOD HILLS WATER UTILITY**  
**Customer Water Bill Comparison at Present and Proposed Rates**

Quarterly

<b>Customer Type</b>	<b>Meter Size</b>	<b>Volume (100 Cubic Feet)</b>	<b>Bills at Old Rates</b>	<b>Bills at New Rates</b>	<b>Percent Change</b>
Small Residential	5/8"	10	\$ 56.94	\$ 85.50	50%
Average Residential	5/8"	20	\$ 92.74	\$ 138.00	49%
Large Residential	5/8"	50	\$ 200.14	\$ 295.50	48%
Multifamily Residential	2"	100	\$ 433.49	\$ 642.00	48%
Multifamily Residential	3"	200	\$ 836.79	\$ 1,236.00	48%
Commercial	5/8"	50	\$ 200.14	\$ 295.50	48%
Commercial	1 1/2"	400	\$ 1,474.85	\$ 2,164.75	47%
Commercial	2"	600	\$ 2,133.49	\$ 3,120.75	46%
Commercial	2"	1,400	\$ 4,677.49	\$ 6,800.75	45%
Public Authority	5/8"	30	\$ 128.54	\$ 190.50	48%
Public Authority	1"	50	\$ 210.71	\$ 310.50	47%
Public Authority	2"	320	\$ 1,221.09	\$ 1,797.00	47%
Public Authority	3"	680	\$ 2,433.19	\$ 3,557.75	46%
Public Fire Protection (Annual charge)			\$ 118,231	\$ 169,045	43%

**VILLAGE OF SHOREWOOD HILLS WATER UTILITY**  
**Comparison of Revenue**  
**at**  
**Present Rates, Cost of Service and Proposed Rates**

<u>Customer Class</u>	<u>Revenue at Present Rates</u>	<u>Cost of Service</u>		<u>Proposed Rates</u>		
		<u>Revenue Required</u>	<u>Increase over Present Rates</u>	<u>Revenue</u>	<u>Increase over Present Rates</u>	<u>Percent of Cost of Service</u>
Residential	\$223,834	\$337,435	51%	\$332,895	49%	99%
Multifamily Residential	\$23,343	\$34,268	47%	\$34,056	46%	99%
Commercial	\$29,147	\$39,287	35%	\$43,025	48%	110%
Industrial	\$0	\$0		\$0		
Public Authority	\$12,571	\$17,008	35%	\$18,512	47%	109%
Public Fire Protection	\$118,231	\$169,045	43%	\$169,045	43%	100%
<b>Total</b>	<u>\$407,126</u>	<u>\$597,044</u>	<u>47%</u>	<u>\$597,534</u>	<u>47%</u>	<u>100%</u>

**Village of Shorewood Hills**  
**Personnel Committee**  
Draft Meeting Minutes  
Monday, April 4, 2016 7:00 a.m.

1. **Call to Order** Personnel Committee Chairperson John Imes called the meeting to order at 7:05 a.m. Present were Mr. Imes and Committee members Erica Moeser, Paula Hogan, Mary Gulbrandsen, Anne Readel, David Vitse, and Amy Neeno-Eckwall. Village Administrator Karl Frantz, Police Chief Dennis Pine and Village Clerk Cokie Albrecht were also in attendance.  
**a. Note compliance with open meeting law** Mr. Frantz confirmed the meeting had been properly posted and noticed.
2. **Approve previous meeting minutes** Ms. Gulbrandsen moved and Ms. Readel seconded a motion to approve the minutes of the Personnel Committee meeting of March 21, 2016. Motion passed unanimously.
4. **Discussion and possible recommendations regarding Village compensation plan** (agenda item taken out of order) The Committee members discussed the difficulty in determining comparable communities when thinking about employee wages since several factors could be considered: population, equalized value, mean household income, etc. The initial consensus of the Committee members is that the wages paid Shorewood Hills police officers may be low and the Village's current 11-step pay grid may not be appropriate for them—fewer steps for police officer wages may need to be considered. After discussion, the Committee members agreed Chief Pine will obtain the compensation contracts for the ~26 police departments in the area. Ms. Neeno-Eckwall volunteered to analyze them to attempt to identify how wages and benefits compare using different community characteristics.
5. **Consider next meeting dates** (agenda item take out of order) The Committee members agreed to meet Monday, April 18, 2016 at 7:00 a.m. to consider summer hires. Continued discussion of employee compensation will happen at subsequent meetings, with a goal of developing a recommendation to the Board for implementation in 2017.
3. **Recommend regular hire of LTE-hired part time police officers** Ms. Moeser moved and Ms. Readel seconded a motion to recommend to the Board the hiring of three part time officers as detailed in Chief Pine's memo dated February 22, 2016. Motion passed unanimously.
6. **Adjourn** Meeting adjourned at 8:35 a.m.

Respectfully submitted,

Colleen Boyle Albrecht  
Village Clerk

MINUTES OF THE FINANCE COMMITTEE  
VILLAGE OF SHOREWOOD HILLS  
Monday, June 20, 2016

(to be scheduled for review at the next meeting of the Finance Committee)

1. The meeting was called to order at 5:30 pm.
2. Roll call: Committee members present were Chair/Village Trustee Fred Wade, Village Treasurer Sean Cote, Gard Strother, and Carl Gulbrandsen. Village President Mark Sundquist, Dave Ahmann, and Karl Wellensiek were absent. Others present were Village Administrator Karl Frantz, Village Clerk Cokie Albrecht, and Vicki Hellenbrand of Baker Tilly.
3. Meeting Notice: Karl Frantz confirmed compliance with the open meetings law.
4. Minutes: Motion to approve the draft minutes of the Committee's meeting on February 17, 2016 by G. Strother, and second by Sean Cote. Motion passed (4-0).
5. 2016 YTD Budget Report: Karl Frantz reported that overall the 2016 General Fund Budget is looking good through May. Budgeted expenses are on track, and it looks like the Village will have about \$400,000 in unbudgeted revenue from fees and building permits. However, going forward the Village will have to deal with levy limits, a Public Service Commission requirement that the Village pay an annual Public Fire Protection fee of approximately \$50,000, the lack of any additional proceeds from the sale of Village Fire and EMS equipment that may be used in the future, and the fact that the ability of the Village to borrow is constrained as a matter of policy to about \$750,000, and that lack of flexibility could persist for a decade.
6. Review of 2015 Audit, Internal Controls and Financial Statements. Vicki Hellenbrand handed out a "Report to the Village Board," dated June 20, 2016. She then proceeded to give the Committee a report on Baker Tilly's audit of the Village financials, before proceeding to a review of the report on the financials that she handed out:

#### Audit Report

\* Ms. Hellenbrand stated that the audit "went well," and Village finances are "in really good shape." She expressed appreciation for the time, effort and help of the Village staff during the audit.

\* One major change resulted from classification of the new lease with the Blackhawk Country Club as an operating lease rather than a capital lease as in the past. This reclassification led to a loss – reflected in the Village Statement of Activities – of \$1,041,628 "for financial reporting purposes only." It does not "represent an economic loss to the Village."

\* Another major change shows a net Pension Asset of \$244,010. This figure reflects the fact that the Wisconsin Retirement System is fully funded, and as a result, the Village is

required to disclose an asset that represents its share of the excess over the estimated amount that will be necessary to pay pension benefits. The pension asset does not affect the current financial resources that are available to the Village

### Financial Statement Report

\* Baker Tilly has issued a clean opinion that the 2015 financial statements of the Village “present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the remaining fund information of the Village . . . as of December 31, 2015,” and certain related information, “in accordance with accounting principles generally accepted in the United States of America.”

Ms. Hellenbrand proceeded to review her 9 page report:

\* The Unassigned Fund Balance of \$779,283 (pp. 2-3). Ms. Hellenbrand said this is “a good number to have.” She added that it is about 27.66% of expenditures without considering transfers to other funds, and about 22% of expenditures with such transfers (which is the way the Financial Statements reflect). Ms. Hellenbrand added that most communities fall within a range of 20 to 25%.

\* The Village had net General Obligation Debt of \$16,955,462 at year end (p. 3), including about \$6 million related to our TIF districts. Ms. Hellenbrand stated that the total was 62% of the statutory limit imposed by the State, but Karl Frantz noted that the Village is close to the internal debt limit of the Village, and will be for the next ten to twelve years, so that there is not much room to borrow additional money.

\* The ratio of debt service to non-capital expenditures was 29.07%, which is above the 20% metric that bond rating agencies recommend (p. 4).

\* 2015 General Fund Revenues of \$3,445,643 (pp. 5-6). Ms. Hellenbrand noted that revenues have remained “fairly stable” from 2011 through 2015, with about 73% of the total coming from taxes. She added that, the one exception, was a one-time sale of fire and EMS equipment in 2014 for \$541,424.

\* 2015 General Fund Expenditures of \$2,817,647 (pp. 7-8). Ms. Hellenbrand said that expenditures remained “pretty stable” as well.

### Report on Internal Controls

Ms. Hellenbrand noted that, as in the past, the Baker Tilly “Communication to Those Charged With Governance and Management” notes a number of internal control issues that are related to a lack of segregation of functions. She added that these are problems that are common to small municipalities such as the Village, because they have a small staff, and there is no practical solution for dealing with those issues apart from the addition of more staff. She urged that the Village Board, the Finance Committee, and senior Village management be mindful of the concerns in overseeing Village operations.

## 7. Report and Recommendation on Village Water Rate Case

Ms. Hellenbrand also reported on the status of the Village Water Rate Case and recommended that the Village accept the rate that the Public Service Commission is willing to approve, while continuing to ask for relief in the amount of the Public Fire Protection fee (PFP) that the Village will be required to pay.

\* The FCP is an annual fee that the Village General Fund pays to the water utility, on the premise that the ability to fight fires requires larger pipes than water service, and therefore, the cost of fire protection should be borne by property tax payers rather than customers of the water utility.

\* The PSC calculates the PFP fee on the basis of a formula, but the recent replacement of many 50-100 year old water pipes resulted in an initial PSC calculation that the fee should double from approximately \$100,000 per year to \$200,000 per year.

\* Ms. Hellenbrand opposed the proposed increase in the PFP fee as unreasonably high, in part because the Village did no more than replace existing pipes, and in part because the cost would be difficult for the Village General Fund to absorb because of State imposed levy limits.

\* Ms. Hellenbrand reported that the PSC has re-calculated the increase in the PFP fee, and reduced the increase to about \$50,000 per year, which she still views as unreasonably high.

\* If the amount of the PFP fee increase cannot be further reduced, the options for the Village will include: (1) adding the \$50,000 amount to the levy; (2) allocating more of the costs that are paid by the General Fund to the Water Utility, which would result in higher rates for the utility customers; (3) a reduction in General Fund expenditures to offset all or part of the fee increase; (4) holding a referendum that would permit the Village to exceed the State's levy limit; and (5) selling the water utility to the City of Madison, which would create a hole in the General Fund Budget, because the Water Utility makes payments to the General Fund to compensate for the time that the Village staff spends on administration of the utility.

\* Ms. Hellenbrand added that the Village Water Utility is in desperate need of the additional revenue that the new rates would produce, and that, it would still take some months for the pending rates to be approved by the PSC.

\* Under these circumstances, Ms. Hellenbrand recommended that the Village: (1) agree to the rates that the PSC has proposed; (2) continue efforts to secure PSC approval of a lower increase in the PFP fee; and (3) consider options for payment of the fee at a future time.

Motion by Carl Gulbrandsen and second by Sean Cote that the Committee recommend Village acceptance of the pending water rates to the Board, while continuing to pursue a

further reduction in the amount of the PFP fee, in accord with the recommendation that Vicki Hellenbrand made to the Committee. Motion passed (4-0).

#### 8. Update on Village Capital Plan and Borrowing Capacity

Karl Franz gave the Committee a status report on the borrowing capacity of the Village and its Capital Plan:

\* He noted that the Village has about \$750,000 in additional borrowing capacity, based on the internal limits that the Village has adopted as a matter of policy. This policy provides that the Village should pay no more than 20% of its operational expenses for debt service.

\* Karl stated that the Capital Fund will receive infusions over time as \$460,000 that has been advanced to the Water Utility is repaid, and as the Blackhawk Country Club repays the \$141,000 that the Village advanced last year for the re-paving of the Club's parking lot. He added that TIF No. 4 will repay \$142,000 that the General Fund has advanced to it.

\* He added that we were able to spend \$175,000 for road re-surfacing this year, in part with grant money and in part with unused TIF money.

\* The proposal for a Village Cold Storage facility will cost about \$530,000. In addition, the old DPW building has no air handling or air exchange capability, and that is something the Village may need to address.

#### 9. Possible Revaluation of Village Properties

Karl reported that the Board of Review has recommended that the Village undertake a complete revaluation of the Village to eliminate inequities that have arisen in assessments since the last revaluation in 2006. Village assessments are now at 90.5% of equalized value, and the Village would be required by state law to conduct a revaluation if the percentage falls below 90% for three years in a row.

Karl mentioned a number of options that might be considered for conducting a revaluation.

#### 10. Next Meeting Dates:

The Committee will be polled to see if we can schedule the next meeting in mid-July.

#### 11. The meeting was adjourned at 7:31 pm.

**Village of Shorewood Hills  
Public Works Committee Minutes  
Monday May 9, 2016**

The meeting was called to call to order by Chair Mark Lederer at 7:05 p.m.  
Compliance with the open meeting law was noted.

On call of the roll members present were: Chairperson Mark Lederer, Felice-Borisy-Rudin, Cara Coburn Faris and Rick Chappell. Excused were Yang Tao, and Chris Petykowski. Also present was Crew Chief John Mitmoen, Administrator Karl Frantz and Village Engineer Brian Berquist.

**Approval of April meeting minutes:** Rick Chapell seconded by Mark Lederer moved to approve the April 11 minutes. The motion was approved 4-0.

**2016 resurfacing project and possible recommendations related to walk path and intersection improvements at Edgehill and Lake Mendota Drive** – The Village Engineer indicated the Edgehill striping that was included in the 2016 bid will be completed soon. Once completed, the Village will install the traffic speed/volume tubes to see if the project had an impact on traffic speeds.

Discussion then turned to the proposed extension of a blacktop elevated walkway to extend from its current terminus on Edgehill down the west side of the street to Lake Mendota Drive. Questions arose related to parking, varying street widths and whether narrowing of the street in certain areas as opposed to widening for the path made more sense, while also taking parking into account. There was also some concern regarding location of the walkway and the steep slopes to the west. The Committee will undertake further review at the next meeting after the Village Engineer can take the comments into account and develop potential new options as well as evaluate whether slopes and location of the walk are of concern.

**Consideration of parking lot and patching at pool** – The Crew Chief reported that patching will be done in the lot and by the dumpster. In the dumpster area, the 2016 resurface contract will be used to construct a sizeable patch. Until long term plans are made for the community center it is difficult to justify large expenditures on the lot since it may be reconfigured.

**Consider any parking, traffic related issues and possible seasonal changes in the area of the pool including Harvard Drive** – After review no changes are being recommended at this time.

**Report on sewer lift station repairs** – Repairs to the lift station were required due to check valve corrosion exasperated by towel and disposable wipe issues. The automated telemetry alarm system alerting the crew worked well. The repair costs were close to \$3,000 and were done by L.W. Allen Co.

**Report on departmental activities including traffic/speed data and concerns, solar powered crossing signals, agreement with City for striping.** The Village will piggyback on a City contract for lane striping on University Avenue and crosswalks and intersections. Discussion

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regarding bike crossing/warning signals for the bike path when it is extended across Marshall Court and UBD was discussed but no decisions made. Ms Borisy-Rudin cautioned that flashing lights such as the one on the stop sign on Observatory Drive can trigger migraine headaches. The Committee requested that the Public Health and Safety Committee consider speed data on Edgehill.

The next meeting will be on June 13.

The meeting was adjourned at about 9:00 p.m.

Respectfully submitted

Karl Frantz  
Village Administrator

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## **Village of Shorewood Hills Services Committee**

Draft Minutes of the Meeting on June 9, 2016

Six members were present, including Chairperson Fred Wade, David Logan, Bill Munkwitz, Charlie Field, Jerry Stein and Bill Muehl. Georgene Stratman arrived a few minutes late. Others present were Village Administrator Karl Frantz, Village Engineer Brian Berquist, and Consultant Rod Holt.

**1a. Compliance With Open Meetings Law:** Karl Frantz noted compliance.

**1b. Approval of Minutes:** Approval of the minutes for December 15 was deferred.

### **2. Consideration of Revised Building, Site Plan and Cost Estimates for Construction of a Village Cold Storage Facility:**

#### **Introduction by Karl Frantz**

Karl Frantz introduced the discussion of the draft site and building plan, and cost estimates for the revised plan, by noting that the plan prepared by Brian Berquist calls for a 6,000 square foot facility (100 feet wide and 60 feet deep) at an estimated cost of \$525,000. He noted that the estimated cost would be more than the \$300,000 budgeted for the facility, but in line with an earlier estimate of \$500,000. He added that there might be some ways to cut the cost, but it would not be the building that the staff believes is needed.

The Village currently leases 4,000 square feet for storage from Tom Degan for about \$25-26,000 in annual rent. The rent could be redirected to cover part of the debt service on a new facility, and the current lease is scheduled to terminate in February of 2018.

The site for the facility lies between the railroad tracks to the North and Old Middleton Road to the South. The facility would be built to the east of the existing Salt Storage Shed, with a parking lot to the east of the new facility.

#### **Review of Site Plan by Brian Berquist**

Brian Berquist reviewed the site plan and exterior features of the proposed facility, noting among other things:

\* **The Need for an Eight Foot Retaining Wall:** The slope of the site would require the construction of an eight foot retaining wall of reinforced concrete on the north side of the building, which would serve as the foundation for the north wall of the facility. This wall would face the Blackhawk Country Club, the bicycle path and the railroad tracks. The need for this wall is a main reason for the increase in the estimated cost of the facility. A smaller retaining wall would be required to support the parking lot for the facility, which would be located to the east of the cold storage facility. One Committee member was concerned that the large retaining wall might be "perfect for tagging."

\* **The Need for a Variance:** Current zoning calls for a 25 foot setback on all sides, but that would require removal of a tree along Old Middleton Road that is worth preserving. Allowing room for a horseshoe driveway around the tree on the South side of the proposed facility, the

proposed building would encroach on the rear setback on the North Side near the bicycle path and the railroad tracks, and would require a variance.

\* **The Need for a Sewer Connection:** The plan calls for floor drains to be connected to a sewer line that is 170 feet away. Although no water service is planned at this time, the sewer connection would be necessary to handle snow melt from Village trucks.

\* **The Plan for a Skylight:** The plan calls for a south-facing skylight. This would involve an additional cost of \$10,000 to \$15,000.

\* **Additional Comments and Recommendations:** Although no heat or water service is contemplated at the present time, Brian recommended that the Village put in laterals to permit future water service, and install sleeves that could accommodate future water and electrical service. He noted that the plan calls for three inch blanket insulation that would keep interior temperatures more temperate and prevent condensation on the roof. He added that runoff from the roof would be captured in rain barrels.

### **Review of the Interior Plan by Rod Holt**

Rod Holt reviewed interior plan, noting among other things:

\* **Recommendation for Steel Frame Construction:** Mr. Holt recommended steel frame construction because it would be more durable and could "last 100 years." He said this option would also make the interior space more flexible by eliminating interior columns. However, this recommendation is, in addition to the need for a retaining wall, a major factor driving the increase in the estimated cost of the facility.

A post frame building could be built at a lower cost, but it would require interior columns to support the roof, in contrast to "the clear span" which steel frame construction would permit. Brian said he did not see a post frame building as a good option, because it would not last as long, and would make use of the interior less flexible.

\* **Recommendation for Four Bay Doors Along South Side:** The proposal calls for four fourteen foot wide bay doors along the South wall of the facility. Each bay door would open into an area of about 1,500 square feet of storage area.

The three eastern bays would provide a total of 4,500 square feet of storage for the Department of Public Works. The clear span permitted by use of a steel frame would allow the crew to raise a dump truck bed inside the building where, a post frame would not provide enough height for that to be done.

The western bay would provide 1,500 square feet of storage for the Police Department. The plan calls for this space to be used for the secure storage of impounded bicycles and evidence, with sufficient additional capacity for the secure impoundment of a vehicle if that should become necessary. The current storage facility that the Village is renting is not a secure facility.

\* **Proposed Mezzanine:** The plan calls for a mezzanine to be constructed above part of the Police Department's area, which could provide for out of the way storage for the fireworks used by the Fire EMS Association, and for small items such as spare pipe and valves that might be needed in the event of a water main break.

### **Committee Consideration and Action**

A number of Committee members asked questions that are reflected in the summary noted above. Members expressed the view that the revised plan would meet the needs identified by the staff, and that it would be better to proceed with construction sooner, rather than later, in order to take advantage of continued low interest rates.

A motion was made by Jerry Stein, and seconded by Bill Muehl, that the Committee recommend the proposed facility to the Board for its consideration, and for decisions on the steps that may be necessary to proceed with the authorization, bidding and construction of the facility. The motion passed 7-0.

**3. Updates Regarding Use of the DPW Building and Plans for the Village Board to Conduct a Special Working Session on Planning for Village Facilities and Needs in August**

The Committee was given an update on plans to use a portion of the DPW building for a library and for an after school homework area. No action was required.

The Committee was also advised that the Village Board is planning a special working session on planning for Village facilities and needs, which would include consideration of the pool, the community center and the DPW building, in addition to the proposed cold storage facility. The working session is scheduled for Tuesday, August 2.

**4. Next Meeting July 14, 2016 at 3:30 pm.**

The Committee will meet on July 14, 2016, to consider Village facilities and needs to assist the Village Board with input for the special working session on Village facilities and needs.

**5. The meeting was adjourned at 4:40 pm.**

Respectfully submitted,  
Fred Wade

# Village of Shorewood Hills -- draft minutes of the Public Health & Safety Committee, March 9, 2016

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1. Meeting called to order 7:02 pm.
2. Members in attendance: Felice Borisy-Rudin; Mark Lederer; Andy Stoltman; Tim Crisp. Staff in attendance: Police Chief Denny Pine; Village Administrator Karl Frantz. Guests: Cara Silverman; Marion Ceraso; Javier Nieto.
3. Noted compliance with open meeting law.
4. Minutes from January 27, 2016 approved with amendment to sec. 11; Mark Lederer moved, Andy Stoltman seconded; all in favor.
5. Community listening session scheduled for Sunday, May 15, 2016 from 2-4 pm, in World Cafe format. Staff and committee members to be there about 1/2 hour early for training.
6. Reviewed dangerous animal ordinance and referred to Village Attorney.
7. Review of Police policies.
  - a. Review of letter from Timothy Kriz, Owner/Manager of Custom Service Information LLC. Three years ago Village purchased police policies from his business to bring our Village policies up to date, personalized for the needs of our Village. Purchase included maintenance and updates as needed, e.g. OWI policy was updated 3 weeks ago to include drug recognition & enforcement (DRE) officers. Purchase partially reimbursed by a \$1000 grant from our insurance carrier. Body Camera policy was recently supplied by Mr. Kriz.
  - b. Karl Frantz explained that his intent is to find out what attorney supervision and review has already been made to the policies and procedures.
  - c. Historically, these policies have been part of the police department and haven't had a lot of review. Police Chief Pine expressed support of having an attorney review the policies. He also explained that the officers read each policy at the time they receive it, and that they have to sign-off for having read the policy. Trustee Borisy-Rudin recommended waiting to do review until we have completed our community listening sessions and know what the focus and concerns of our community are. Andy Stoltman suggested, moving forward, that when Police Chief Pine gets a policy that is unclear to his officers or contradictory to what makes sense, we should look into it. Trustee Borisy-Rudin

emphasized that any new policies and changes in old policies should be discussed in committee.

- d. Tim Crisp asked about training. Administrator Frantz explained that we are in a consortium with the UW police department and do our training with them. Police Chief Pine explained that we used to train with the Dane County Consortium, but we no longer do, because we work daily with the University.
- e. Mark Lederer stated that he wants to know where our policies deviate from national and state norms.

8. Police and Fire & EMS report reviewed.

9. Next meeting will be May 3, at 7 pm. Agenda items to include: body camera guidelines; preparation for May 15 community listening session; and incident summary.

Minutes prepared by Trustee Felice F. Borisy-Rudin, and respectfully submitted 4/18/2016.

Village of Shorewood Hills  
Attn: Colleen Albrecht

**DIRECTORS**

**David Benforado**  
Village Trustee  
Village of Shorewood Hills

**David De Angelis**  
Village Manager  
Village of Elm Grove

**Ronald Hayward**  
Village President  
Village of West Milwaukee

**Kathleen Morse**  
Clerk/Treasurer  
City of Rice Lake

**Mark Rohloff**  
City Manager  
City of Oshkosh

**Zachary Vruwink**  
Mayor  
City of Wisconsin Rapids

**Jerry Deschane**  
Executive Director  
League of Wisconsin  
Municipalities

**OFFICER**

**Dennis Tweedale**  
Chief Executive Officer  
League of Wisconsin  
Municipalities Mutual  
Insurance

## 2015 Dividend

For the 9th time in 10 years, the Board of Directors has declared a Dividend. Our 393 policyholders in 2015 will share \$1,600,000.

Half of the Dividend (\$800,000) is based on member pro rata premiums earned from January 1, 2011 through December 31, 2015. The remaining \$800,000 is based on member experience for the same period of time.

Your 2015 Dividend payment is \$8,590. Including this 2015 Dividend, over the past 10 years, LWMMI has returned \$43,399 to you.

League of Wisconsin Municipalities Mutual Insurance is able to pay Dividends because claims experience was better than expected and investment returns averaged 2.7%. Even after paying \$1,600,000 to members, our policyholder surplus remains in excess of \$25,000,000. Your Insurance Program is in great financial shape.

Dividends are a reflection of the work your employees do every day to help prevent and reduce losses. The Board of Directors' main responsibility is to make sure LWMMI is funded properly for the long haul. This return of premiums shows we are confident that your program is operating efficiently and within the independent actuary's expectations.

Protecting our employees and citizens is still a high priority even when money is tight. Please consider using a portion of the dividend check to fund Safety Programs.

Thank you for your participation.

Sincerely,



David De Angelis  
President  
April 2016

CC: Baer

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Suite 225  
Madison, Wisconsin 53719

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# LWMMI

*League of Wisconsin Municipalities Mutual Insurance*

# Voluntary Environmental Certification Level 2

## *Smart Salting Snow and Ice Control Best Practices*

This is to certify the following organization

**Shorewood Hills,  
Public Works**

has voluntarily completed and submitted the winter maintenance assessment to minimize salt impacts in Wisconsin.



*Andrew Ronchak, MPCA  
Resource Management and Assistance Division  
Issue Date: May 10, 2016*

*Certificate Expires 2 years after Issue Date*



**Your knowledge and actions will help protect  
Minnesota lakes, streams and groundwater.**



**Minnesota Pollution Control Agency**

To the Shorewood Hills Village Board

Enclosed is a donation of \$2,500.00 from the members of the Shorewood Hills Garden Club. The Garden Club appreciates how much Corey and the summer horticulturist interns do to beautify the village. We are happy to make a donation again this year to support this program.

Sincerely,  
Lynna Johnson  
treasurer  
Shorewood Garden Club

