

**Village of Shorewood Hills**  
**Finance Committee**  
Approved Meeting Minutes  
Wednesday, June 21, 2017 5:30 p.m.

1. **Call to Order** Finance Committee Chairperson Fred Wade called the meeting to order at 5:30 p.m.
2. **Roll Call** Present, in addition to Mr. Wade, were Committee members Gard Strother, Sean Cote, Carl Gulbrandsen, Karl Wellensiek and David DeVito. Dave Ahmann was excused. Village Trustee Mark Lederer, Village accountants Vicki Hellenbrand and Stephanie Nelson of Baker Tilly, Village Administrator Karl Frantz, Emergency Services Coordinator David Sykes and Village Clerk Cokie Albrecht were also in attendance. Mr. Wade asked Ms. Albrecht to take the minutes this evening.
3. **Note compliance with open meeting law** Mr. Frantz confirmed the meeting had been properly posted and noticed.
4. **Review/approve previous Finance meeting minutes** Mr. Cote moved and Mr. Strother seconded a motion to approve the minutes of March 15, 2017. Motion passed unanimously.
5. **Review/accept the 2016 Financial Statements** Ms. Hellenbrand discussed highlights of the draft documents prepared by Baker Tilly as part of the Village's 2016 audit.  
Communication to Those Charged with Governance and Management: Ms. Hellenbrand said the inherent weaknesses in the Village's finances—including the difficulty in segregating duties—are not unusual for a government the Village's size. She called attention to Pages 4 and 5 of the document, emphasizing that the communication between the auditors and the Village, including the governing body, is two-way—she encouraged the Finance Committee members and Trustees to contact Baker Tilly if they had questions/concerns. Ms. Hellenbrand said cyber security is a growing issue in municipalities. Per the newly implemented GASB 68 reporting requirements, the Village's Financial Statement must now include information about the value of its retirement system. Whether the Village's share is an asset or liability is based on the value of the Wisconsin Retirement System (WRS) on one day/year, December 31. The WRS is one of few retirement funds in the country which is fully funded. The information provided by GASB 68 reporting is helpful to bond buyers in evaluating the credit-worthiness of municipal bonds.  
Report to the Finance Committee and Village Board: This document provides highlights of the information in the Financial Statement. The Village's unassigned Fund Balance is at \$838,493, 29% of its expenditures. Ms. Hellenbrand said typical would be 15% to 30% of expenditures. The Village is at 55% of its statutory debt limit. Ms Hellenbrand said the Village is in "fine shape" with regards to this metric—it would be expected that communities with TIDs, like the Village, would have higher amounts of debt. Shorewood Hills' percent of debt service/expenditures is also satisfactory. The Village's General Fund revenues have increased through the years but so have its equalized values so this is okay—its revenue sources are consistent with its peers. Public safety is the largest expenditure category, again similar to other municipalities. Ms. Hellenbrand expects the financial health of the utilities will improve with the rate increases approved last fall. The Finance Committee thanked the auditors for the information. Mr. Wellensiek moved and Mr. Gulbrandsen seconded a motion to commend the reports to the Board of Trustees. Motion passed unanimously.
6. **Next meeting date** No date was selected.
7. **Adjourn** Meeting adjourned at 7:00 p.m.

Respectfully submitted,

Colleen Boyle Albrecht, Village Clerk