

**Village of Shorewood Hills  
Finance Committee  
Approved Meeting Minutes  
Wednesday, September 20, 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, Karl Wellensiek, Sean Cote, Dave Ahmann and Carl Gulbrandsen. David DeVito was excused. Also in attendance were Village Administrator Karl Frantz and Village Clerk Cokie Albrecht.
3. **Note Compliance with open meeting laws** Mr. Frantz confirmed the meeting had been properly posted and noticed.
4. **Review/approve previous Finance meeting minutes** Agenda Item 5 of the June 21, 2017 minutes was revised to read (italics indicate words added): "...The Village is at 55% of its *statutory* debt limit..." Mr. Strother moved and Mr. Cote seconded a motion to approve the June 21, 2017 minutes as amended. Motion passed unanimously. Two sections of Agenda Item 6 of the September 13, 2017 minutes were revised to read (italics indicate words added): "...Expenses in the *draft* 2018 General Fund budget total..." and "...The *draft* 2018 budget currently projects the same raise..." Mr. Strother moved and Mr. Cote seconded a motion to approve the September 13, 2017 minutes as amended. Motion passed unanimously
5. **Consider 2017/2018 Village budgets and recommendations with a focus on the General Fund** Mr. Frantz reviewed his memo dated September 20, 2017. The projections for the end of 2017 in the "Admin" and "Clerk" wages and benefits accounts were increased to reflect additional staff time this fall required to recover data lost from the server crash. Portions of those expenses will be allocated to other funds. The unassigned fund balance at the end of 2016 was \$838,493. Mr. Frantz anticipates ending 2017 with a fund balance in excess of \$800,000. Revenue from the insurance claim associated from the crash has been removed from the draft 2018 budget. Mr. Frantz said he anticipates staff expenses handling lost data will exceed \$100,000. He foresees doubling that due to lost productivity. The Village is documenting other crash-related costs including the legal and accounting fees incurred. The draft 2018 budget now reflects revenues of \$3,819,622. The revenues include the maximum levy and repayments to the General Fund of a TIF advance of \$48,602 and a water advance of \$18,465. A \$151,608 deficit remains. Options to deal with the shortfall include: moving \$35,000 in capital purchases to the Capital Fund; transferring ~\$160,000 in forestry expenses from the General Fund to a new Forestry Utility; adjusting anticipated expenses or revenues, including budgeting for one-time revenues; using fund balance; holding a referendum to authorize additional levy. Mr. Frantz discussed the memo, "Creating an Urban Forestry Special Charge." The Parks Committee is exploring the creation of a Forestry Utility to cover the costs to maintain and manage the Village's trees. The expenses would be included on property owners' utility bills and would not

impact the Village's levy limit. Mr. Frantz anticipates that such a utility, if authorized, would take several months to set up. Mr. Cote said as Village Treasurer he reviews the Village's expenses monthly and does not see areas where the draft budget could be tightened significantly; he is comfortable with using fund balance. The Committee members agreed they did not want to include one time, uncertain revenues, like building permit fees and insurance recoveries, in the 2018 budget. The draft budget reflects some preliminary estimates—a clearer picture of the Village's 2018 finances will develop as final revenue and expense numbers become available.

6. **Update on Village computer system hard drive crash, backups and restoration of system progress and any recommendations** Further discussion of this agenda item was deferred until a future meeting.
  
7. **Next possible meeting dates**
  - a. **September 27, 2017 at 5:30 p.m.**
  - b. **October 11, 2017 at 5:30 p.m.**
  - c. **October 18 and/or 25, 2017 at 5:30 p.m.**The Committee decided to meet Wednesday, October 11, 2017.
  
6. **Adjourn** Meeting adjourned at 6:47 p.m.

Respectfully submitted,

Colleen Boyle Albrecht  
Village Clerk