



## NOTICE

**PLEASE TAKE NOTICE** that of the **Budget and Finance Committee** will be held via teleconference at the following times to consider the **2021 Budget** as noted below:

TO JOIN THE MEETING THROUGH THE ZOOM APP VIA COMPUTER OR DEVICE, click the below link:  
<https://zoom.us/j/91952325118>

TO JOIN THE MEETING VIA TOLL FREE PHONE NUMBER: **1 -312-626-6799**

When prompted, enter the access code **919 5232 5118** followed by the pound or hash (#). Members of the public will be muted upon entry and unable to unmute themselves.

- Monday, September 14, 2020 at 6 p.m. – General fund department budgets, capital budget, utilities (Budget and Finance Committee)
- Monday, September 21, 2020 at 6 p.m. – Library, Senior Resource Center, Shorewood Today, debt service, TID budgets (Budget and Finance Committee)
- Thursday, October 15, 2020 at 6 p.m. – budget wrap up (Budget and Finance Committee)
- Monday, November 16, 2020 at 7:30 p.m. – Public Hearing on the 2021 Budget (Village Board Meeting)

The 2021 proposed budget is available for viewing online at the Village Website [www.villageofshorewood.org](http://www.villageofshorewood.org)

### Agenda

1. Call to Order
2. Review of General Fund Department, Capital and Utilities Budgets.
3. Adjournment.

DATED at Shorewood, Wisconsin this 10<sup>th</sup> day of September, 2020.

VILLAGE OF SHOREWOOD  
Sara Bruckman, CMC/WCMC  
Village Clerk

Should you have any questions or comments regarding any items on this agenda,  
contact the Manager's Office at 847-2702.

It is possible that members of and possibly a quorum of members of other governmental bodies of the municipality may be in attendance at the above stated meeting to gather information; no action will be taken by any governmental body at the above stated meeting other than the governmental body specifically referred to above in this notice.

Upon reasonable notice, efforts will be made to accommodate the needs of disabled individuals.

## 9/14/20 Budget & Finance Committee - Budget review reference guide

<u>Village Board</u>	Department pages 36-38	Capital pages 111-112
<u>Court</u>	Department pages 39-41	Capital (none)
<u>Village Manager</u>	Department pages 42-44	Capital pages 116-119
<u>Clerk / CS</u>	Department pages 45-49	Capital pages 113-114
<u>Finance</u>	Department pages 50-52	Capital pages 115
<u>Other General Admin</u>	Department pages 53-55	Capital (none)
<u>Police</u>	Department pages 56-60	Capital pages 120-122
<u>Planning</u>	Department pages 61-63	Capital (none)
<u>Other Public Safety</u>	Department pages 64-66	Capital pages 123-124
<u>DPW</u>	Department pages 67-78	Capital pages 125-148
 <b>DPW / Utilities</b>		
Water	Department pages 162-167	Utility Capital pages 168-169
Sewer	Department pages 170-175	Utility Capital pages 176-177
 <b>Parking</b>	 Department pages 158-160	 Utility Capital (none)

## **Follow-up responses from the 9-8-20 Budget Intro discussion**

### Parking ticket late fees:

I ran a report and determined that there were about 11,000 citations paid in 2019 with a base amount of \$275,000.

Then there was about \$95,000 in late fees paid at \$25.00 each, which is about 3,800 citations with late fees, or about 35% of the 11,000 total citations paid. These would implicitly be more than 10 days old.

Then there was about \$18,500 in DMV fees paid at \$15.00 each, which is about 1,230 citations with DMV fees, or a little more than 10% of the 11,000 total citations paid. These would implicitly be more than 30 days old.

### Supplies - office narrative (p.31)

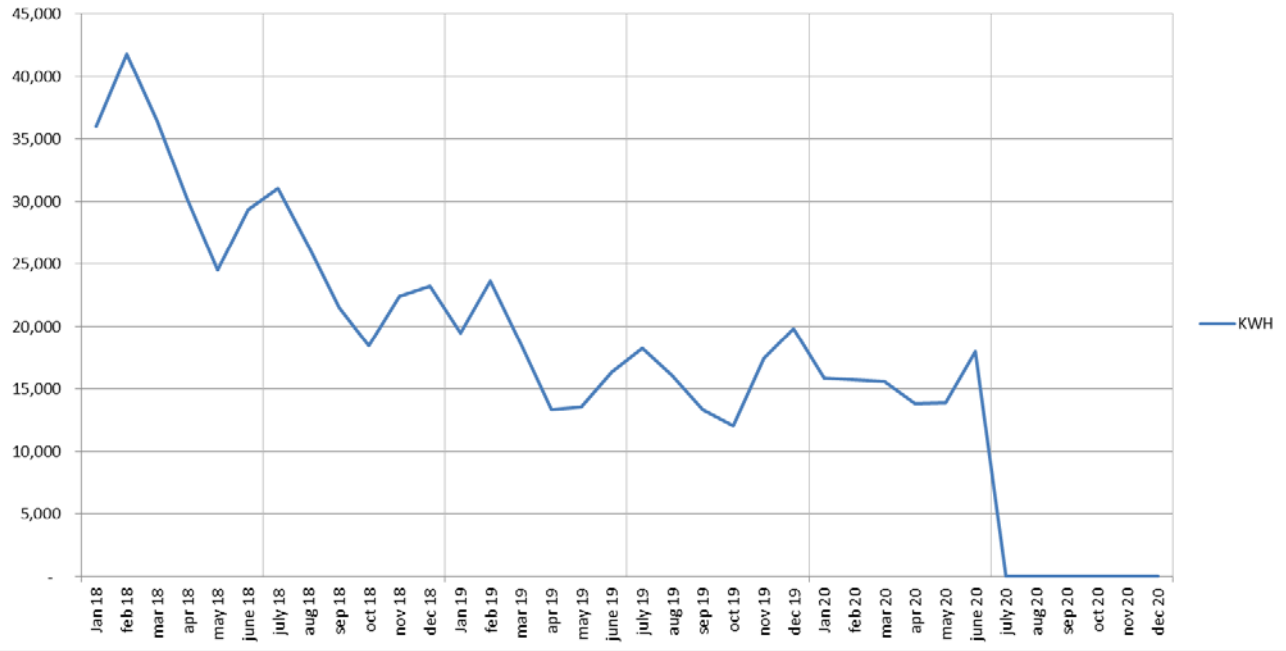
Yes, this item does include computer replacement.

Of the \$23,420 increase in this \$200,000 budget group;

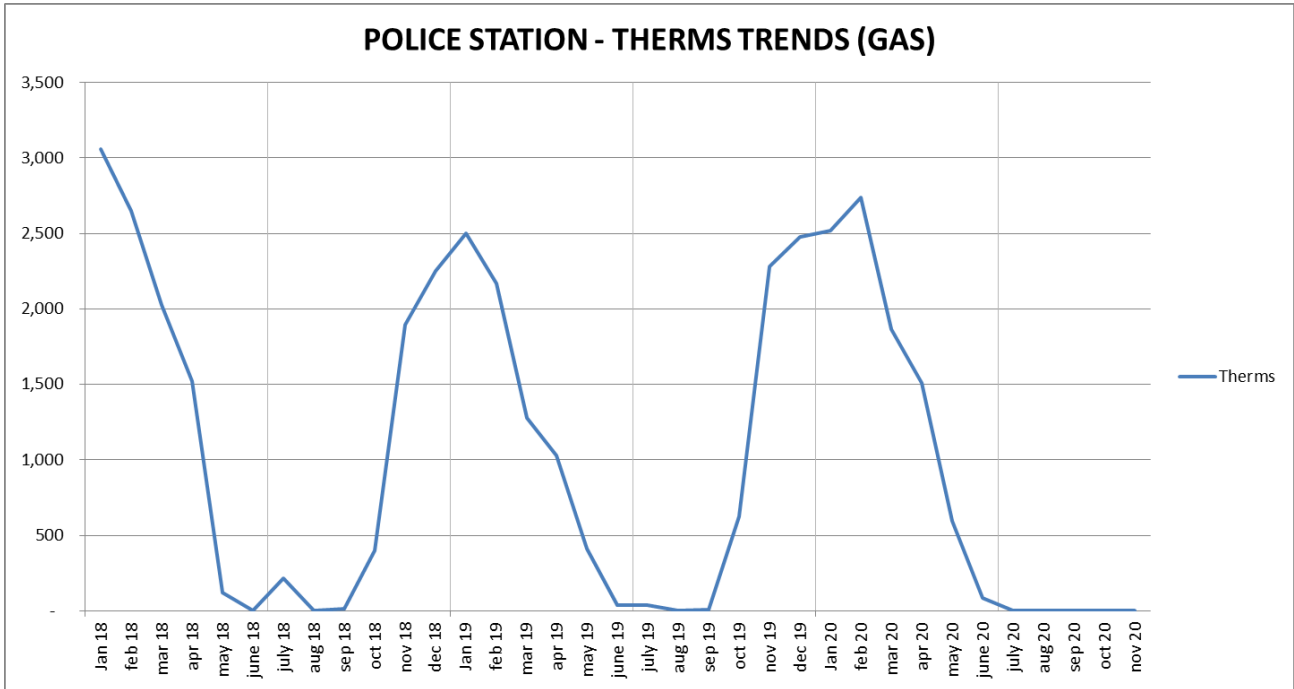
\$10,000 is related to restoring the \$25,000 funding request for computer and equipment replacement which was reduced to \$15,000 in 2020 budget process;

\$6,500 is related to increased postage costs for the mailing of absentee ballots.

### POLICE STATION - KWH TRENDS (ELECTRIC)



### POLICE STATION - THERMS TRENDS (GAS)



## 10 year history of changes in fund balances

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
YE Change in fund balance	281,237	191,369	178,623	141	139,113	(125,726)	(291,043)	328,201	70,000
Budgeted change in fund balance	<u>(87,344)</u>	<u>(153,237)</u>	<u>(51,477)</u>	<u>(28,000)</u>	<u>(38,000)</u>	<u>(133,400)</u>	<u>(264,376)</u>	<u>(253,912)</u>	<u>(297,321)</u>
Variance - favorable (unfavorable)	368,581	344,606	230,100	28,141	177,113	7,674	(26,667)	582,113	367,321



AT THE EDGE OF THE CITY AND  
THE HEART OF EVERYTHING

## FINANCE DIRECTOR'S MEMO

March 16, 2020

TO: Village Board/Finance Committee  
FROM: Mark Emanuelson, Finance Director  
RE: Fourth Quarter Financial Report **2019**

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The following reports have been prepared to summarize the Village's financial activities as of 12/31/19.

In general, overall activities are following anticipated budgetary levels. The current financial projections anticipate a **year-end surplus of revenues over expenditures of approximately \$328,000 in 2019**. Additional notes have also been added throughout the financial reports to help explain the activity within certain accounts.

Staff has also provided a few brief summary comments on the following pages to highlight some of the more significant items of interest related to the 2019 financial projections.

Please feel free to contact the Finance Director if there are any additional questions.

### Attached are the following Quarterly Financial Reports

#### Revenues and Expenditures

- General Fund overview (1-8)
- General Fund departments (9 – 27)
- Library Fund (28 - 29)
- Senior Services Fund (30-31)
- Shorewood Today (32)
- Debt Service Fund Revenues and Expenditures (33)
- Capital Projects Fund Revenues and Expenditures (34 - 35)
- Capital Project Fund – Project Detail Listing (36-38)
- TID Funds (39 - 43)
- Parking Utility (44 - 45)
- Water Utility (46 - 50)
- Sewer Utility (51 - 54)

Cash and Investment Report (55-59)

Service contract list (60)

## **General Fund:**

### **Municipal Court: (p.10)**

Court Fines – While “current” court fines revenues (less than 2 years old) were about \$43,000 under budget, collections efforts have resulted in over \$84,000 of one-time revenues from the previous backlog of outstanding citations that were transferred to the State Debt Collections (SDC) program at the end of last year. As a result, total **court fine revenues are expected to exceed budget by about \$40,000 in 2019.**

### **Finance: (p.14)**

Interest Income – With LGIP interest rates increasing from 0.5% in the past 24 months, staff has now shifted holding the village’s operating reserves from the village’s general checking account to the LGIP. Staff estimates that **interest income will be about \$190,000 more than originally anticipated in the 2019 budget.**

In 2019 there was also a **favorable Mark-to-Market adjustment of \$52,000.** While this does not represent any actual cash earnings, it does reflect favorably on the Village’s financial reports.

### **Police Department: (p.16-17)**

Parking Fines – While “current” **parking fines (less than 2 years old) were about \$100,000 under budget,** collections efforts generated about \$17,000 in one-time revenues from the collection of older outstanding citations as a result of the Duncan collections process established at the end of last year.

Salary & Benefit costs – **These items were about \$135,000 under budget in 2019 primarily due to an extended military leave for one of the Village’s officers.**

Uniform expenses – This line item is over budget due to a one-time cost associated with the approval of the 2019-2020 Police union contract.

### **Planning and Development: (p.18)**

Permit Income – **Building permit income exceeded budget amounts by approximately \$50,000 due to higher than anticipated activity.**

Contracted Inspectors – This item was over **\$35,000 under budget** due to the ability of staff to complete most permit activity inspections without the need for additional contracted inspectors in 2019.

### **Other Public Safety: (p.19)**

Facilities revenues – These revenues are about **\$50,000 more than budgeted** due to the ongoing continuation of the NFSD rental fees not originally anticipated in the 2019 budget.

Misc. Revenues – This **\$20,000** line item reflects the new agreement with the Shorewood School District to reimburse the village for a portion of the crossing guard costs beginning in the fall of 2019.

Other Benefits (retiree’s) – This line item is about **\$25,000 under budget** due to an unexpected change in benefit costs at the beginning of the year.

### **Public Works: (p.20-26)**

Professional Fees – Engineering Misc. – As this is a new budget line item for 2019, these fees will vary depending on the specific needs and projects requested to be evaluated from year-to-year. Current estimates project that these costs will be about \$13,000 over budget in 2019.

Salary & Benefit costs – Within the Department of Public Works and utility divisions, all staff wage and benefit costs are budgeted based on 3 year trends and estimated service levels for each division. As the total number of employees does not change, in aggregate, these costs will all be within general budget parameters.

The exception to this process is the DPW Forestry division, where staff placed an additional \$40,000 for a vacancy factor which the Village Board directed staff to include somewhere in the 2019 budget. This division was selected due to an existing staff vacancy in this area at the time when the budget was being developed.

These areas for DPW were approximately **\$90,000 over budget** due primarily to a shifting workload between the Water Utility and general operations budgeted activities in 2019.

### **General Capital Fund: (p.33-37)**

While project by project expenditure details have been provided, there are some notable budgetary variances.

Police Building Improvements (400-2100-56200): The final estimated design costs of \$60,000 for the parking garage component of the new police budget was approved by the Village Board for 2019 in order to be able to bid the 2020 construction portion of this project by the end of the year.

Police Vehicles (400-2100-56400): The delivery of Squad 10 has been delayed until 2020 leaving a \$37,000 balance in this account. This amount will be needed in 2020 to complete this acquisition.

DPW Vehicles (400-3100-56400): The final delivery of the JCB Loader Backhoe #90 which was ordered in 2018 in accordance with the 2018 budget was unexpectedly delayed until 2019 due to issues in resolving some equipment defects discovered upon initial delivery. \$82,315

DPW Vehicles (400-3100-56400): The final delivery of truck #45 is not expected to be received until 2020. As such, this unspent tax levy amount of \$48,000 was carried forward to the 2020 budget.

Street & Alley (400-3410-56310): The replacement of the street light control boxes has been deferred pending evaluation of the impact that LED lighting improvements would have on equipment needs. \$100,000

Street & Alley (400-3410-56320): The Wilson Drive street fixtures will not be ordered until after the Milwaukee County Transit System has made a determination on the bus route services that will be provided. \$60,000

Sidewalks (400-3470-56310): The sidewalk program was about \$150,000 over budget in tax levy support due to changing program criteria and sidewalk shaving processes in 2019.

### **Parking Utility (p.43-44)**

Overall revenues expenditures are about \$25,000 favorable compared to budget.

### **Water & Sewer Utility (p.45-53)**

Salary & Benefit costs – Within the Department of Public Works and utility divisions, all staff wage and benefit costs are budgeted based on 3 year trends and estimated service levels for each division. As the total number of employees does not change, in aggregate, these costs will all be within general budget parameters.

Overall, the Water Utility was about \$170,000 favorable to budget in 2019. Approximately \$60,000 of that amount is due to reduced salary and benefit costs that were shifted to general operations. The \$450,000 Downer Avenue Meter Pit project which was original contemplated for 2019 has now been rescheduled and budgeted for in 2020.

Overall, the Sewer Utility was about \$470,000 unfavorable to budget in 2019. The significant factors in this outcome were about a \$70,000 revenue shortfall, MMSD charges that were approximately \$50,000 more than budget and an accrual entry of \$65,000 for December services, plus a depreciation charge of about \$100,000 more than budget due to a post-budget adjustment. There were also about \$100,000 more in uncapitalized other sewer costs, \$50,000 was a payment to Milwaukee County Parks, \$40,000 in manhole rehabilitation costs, and \$10,000 in Planning for the SWMP project.





AT THE EDGE OF THE CITY AND  
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**FINANCE DIRECTOR’S MEMO**

August 3, 2020

TO: Village Board/Finance Committee  
FROM: Mark Emanuelson, Finance Director  
RE: **2020 budget outlook** & COVID 19 fiscal impacts - 2Q update

Under Governor Tony Evers’ Emergency Order #12, Safer at Home Order the Village has made numerous adjustments to normal operations to comply with the requirements of those orders. Among those are the lifting of overnight parking restrictions, a focused delivery of police services, and limited DPW operations in relation to essential services for several weeks.

There have also been some impacts from the related local school closings as well as that many more residents have been working at home during this period. Taking these issues in considerations, staff has identified that there may be numerous impacts to the village’s 2020 budget that will become more apparent as the year progresses. Below is a summary of the key items we are currently reviewing:

**GENERAL FUND:** The 2020 General Fund budget is \$12.16 million. Below is a summary table followed by some narrative descriptions related to the current 2020 budget outlook.

<u>Revenue Summary</u>		<u>Expenditure Summary</u>	
Court fines	(20,000)	Court Legal	(5,000)
Liquor / Operator Licenses	(10,000)	General Legal *	25,000
On-Street Parking	(10,000)	Clerk Postage **	25,000
Parking fines	(70,000)	Voting Supplies **	15,000
Code compliance fees	(10,000)	Duncan fees	(25,000)
School Crossing Guard Fees	(15,000)	Crossing Guard costs	(30,000)
	(135,000)	Disposal Fees - refuse	5,000
<b>Special Revenues</b>			10,000
One-time permit fees	83,000		
One-time permit fees	150,000	<b>Aggregate Fiscal Impact</b>	108,000
	233,000	* May be partially grant reimbursable	
		** Elections grant reimbursable	

**General Fund Revenues:**

100-1200-45120 Court Fines: Citations written have decreased from about \$20,000 per month to less than \$5,000 per month in April. Citations written have now returned to a “new normal”, slightly below the pre COVID 19 levels. The payment rate for citations issued is about 50%; as such staff estimates that there will be a revenue shortfall of about \$20,000 compared to the adopted 2020 budget.

100-1420-44110 Liquor Licenses: The Village Board amended the fees for local liquor licenses in 2020. This, plus a general reduction in operator (bartender) licenses, staff currently projects that these items will come in at about \$10,000 under budget.

100-1420-46xxx On-Street Parking: Due to the lifting of on-street overnight parking restrictions during the safer at home order, these revenues have declined by \$7,500 per month or \$15,000. The net impact is currently expected to be about a \$15,000 budget shortfall in 2020.

100-2100-45200 Parking Fines - current: Due to the lifting of on-street overnight parking restrictions during the safer at home order, these revenues will be down by approximately \$70,000 in 2020. While current activity may seem to indicate a more significant decline, please consider that the second quarter revenues only reflect about one quarter of activity.

100-2400-44xxx Permit revenues: General building and other permit revenues appear to be only mildly impacted in the short term under these current circumstances and are not expected to have a significant budget impact. However, the Village did receive an \$83,000 one-time building permit in January for the construction of a new home on Lake Drive. The Village has also recently received plans from the Shorewood School District for their school renovations that have begun this summer. Staff estimates that the permit fees earned for these activities will be approximately \$150,000 in 2020. This would suggest a favorable budgetary outcome of \$233,000 within the planning department for the year.

100-2400-44400 Code Compliance: Due to limited staff time and a back-up of permit inspections that were delayed under the current safer at home practices which will need to be completed by staff as on-site inspections resume, staff estimates that there may be up to a \$10,000 or 50% reduction in code enforcement fees in 2020.

100-2900-47300 School Crossing Guards: The reimbursements from the school district for Crossing Guard costs is currently expected to be about \$15,000 lower than anticipated due to the school closings for the rest of this school year. This will be offset by reduced costs.

100-3100-46431 Disposal Fees: These fees are for drop off services at the DPW yard and are currently trending about \$5,000 under budget as these services have been suspended during DPW's essential services limited operations schedule. It is unclear if these items will fully rebound once normal operations resume. In addition, there may be other fiscal impacts as Village and White Fish Bay DPW staff work to determine how to re-open these facilities moving forward under the proper health safety practices.

### **General Fund Expenditures:**

100-1200-52120 Court Legal: With the Municipal Court also being closed, staff anticipates that these costs will be reduced by \$2,500 per month. This will result in a cost savings of about \$5,000 as the Municipal Court was closed through the end of May.

100-1420-53130 Clerk Postage: This is a \$5,000 annual budget expense, mostly related to postage for elections absentee ballots. Staff expects that this line item could be \$20,000 - \$30,000 over budget by year end based on the April election activity.

100-1420-53500 Clerk Voting Supplies: This is a \$6,700 annual budget expense, mostly related to absentee ballots envelopes and other election supplies. Staff expects that this line item could be \$10,000 - \$20,000 over budget by year end based on the April election activity.

100-1900-52120 General Legal: With the many issues being addressed by the Village Board and within the community, staff anticipates that these costs will likely be \$20,000 - \$30,000 over budget in 2020. However some of these costs may be reimbursable as they relate to the village's response to the COVID 19 pandemic. Any additional information will be provided at a later date.

100-2100-51200 Police Overtime: Currently police overtime is under budget due to the departments changed staffing patterns and limited vacation time. However, these costs will likely rebound later this year when scheduling returns to normal.

100-2100-52990 Duncan Fees: Due to the lifting of overnight parking restrictions and fewer citations being written, as well as fewer single night parking requests being processed, these fees are expected to decrease by about 50%-75% or about \$5,000 - \$7,500 per month until overnight parking restriction are reinstated. Add to that the reduced level of other citations issued in April and a slightly lower "new normal" thereafter, staff projects that these costs will come in at about 80% of budget in 2020 for a savings of about \$25,000.

100-2900-52990 School Crossing Guards: The cost for Crossing Guard services are currently expected to be about \$30,000 lower than anticipated due to the school closings for the rest of this school year. However, reimbursements from the school district would normally account for half of these costs, so the net budget impact will be about a \$15,000 savings.

100-3510-52950 Disposal Contracts - Refuse: The cost for refuse disposal are trending higher due to increased tonnages as more residents are spending additional time at home, instead of at school or work, and more refuse items are disposed of through the village's household collections. Net village costs could increase from \$2,000 - \$4,000 per month during this period.

**LIBRARY FUND**: The 2020 Library operations budget is just over \$1 million.

**Revenues**: 200-5110-46710 Library Fines and 200-5110-46720 Printing Fees are projected by Library staff to decrease by a total of \$13,500 under the current operations status. This represents about a 30% overall reduction for these revenues in 2020.

**SENIOR RESOURCE CENTER FUND**: The 2020 SRC Administration budget is \$114,075.

There are no anticipated 2020 budget impacts to the Administration division of the Senior Resource Center budget at this time. While there will be numerous budget impacts in the programming activities of the SRC due to the current operational challenges, any changes in these areas will be offset by changes in the amount of the total Benjamin Fund Contributions throughout the year. Therefore, there will be no net fiscal impact to the village.

**CAPITAL FUND:** The 2020 Capital budget is just over \$7.25 million.

**Revenues:** Staff anticipates about \$28,750 from residual 2019 sidewalk special assessments as well as reporting the \$10,300 state grant for the 2019 tree inventory project. In addition, the village also received the payment from the NSFD for the sale of the fire department building, which settled in 2020.

Any revenue impacts to the 2020 capital budget for long-term debt should be for the final equal and offsetting adjustments to the projected bonded project revenues and expenditures.

**Expenditures:** Non-bonded items budget changes anticipated to date. Below is a summary table followed by some narrative descriptions related to the current 2020 budget outlook. Current and projected 2020 budget status is \$20,000 under budget.

400-1100-56360 Village Wide Initiatives: Organizational review: \$4,200 in excess of budget based on final contract price.

400-1100-56360 Village Wide Initiatives: Transportation and Parking plan: \$4,475 of expenditures from this 2019 project posted in 2020. This project was about \$2,000 over budget.

400-1410-56120 IT Technology: Due to anticipated changes in absentee ballot processing capacity needs, a request to purchase an additional voting machine was approved - \$6,260.

400-1410-56120 IT Technology: Agenda Management project implementation for 2020 has been cancelled - \$17,000.

400-3100-56130 DPW equipment: The budget for a new stump cutter was approved at \$70,000. Staff was able to acquire this equipment at a cost of \$53,250 which was \$16,750 under budget.

400-3100-56400 DPW vehicles: Truck 39: \$4,700 of expenditures for the flatbed for this equipment from this 2019 project posted in 2020. This project was about \$500 under budget.

400-3210-56200 VH Building Improvements: LED Upgrades: This project will be about \$4,000 over budget due to budget to actual contract variances.

400-3230-56200 VH Building Improvements: DPW entrance doors: This project will be about \$7,500 under budget due to favorable replacement costs.

**PARKING UTILITY FUND:** The 2020 Parking Utility budget is about \$190,000.

**Revenues:** Parking permit sales are projected to down by a total of \$40,000 under the current operations status that has suspended permit sales in April and May due to the lifting of overnight parking restrictions. This represents about a 21% overall reduction for these revenues in 2020.

**WATER & SEWER UTILITIES:** In aggregate, staff would anticipate a slight net increase in second quarter revenues due to increased usage as more residents will likely be home during the day under the current safer at home order.