



Village of Shorewood Long Range Financial Plan 2025 - 2034

In preparation for the 2025 budget process





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Overview

This document has been developed with the goal of providing a “100-foot view” of the village’s comprehensive financial outlook. The primary objective of this analysis is to be able to use this perspective to help evaluate the various fiscal impacts that would occur as a result of implementing the attached prospective capital infrastructure project schedule. We undertake this process not to solve all the future potential challenges but to better understand the context in which the numerous project planning and annual budgetary decisions will be made in the coming months and future years.

2025-2034 Capital Project Implementation Schedule [\(Appendix A\)](#)

This schedule’s main focus is on the projected future long-range needs for the village’s major capital projects that will require debt financing over the next 10 years. The current plan includes over \$71 million in capital projects. This includes:

\$32,425,000	Road and Alley Projects
\$23,500,000	Facility Improvement Projects
\$10,989,000	Water System Infrastructure
\$2,208,000	Sanitary Sewer and Storm Water Infrastructure
\$1,664,000	Refuse Trucks

The capital infrastructure projects included in the plan have been developed based on many supporting planning processes, including the village’s Lead Service Line Replacement Program Comprehensive Sanitary Sewer, Storm water and Drainage Plan, Pavement Management Plan, Comprehensive Parks Plan, Sustainability Action Plan, Central District Master Plan, and the village’s Strategic Vision Plan.

Key Indicators

There are several key indicators that this plan will help evaluate:

- 1) The debt service requirements to implement these projects as proposed, and their tax levy impact
- 2) The village’s debt capacity under State Statutes and municipal policy objectives
- 3) The village’s levy limit outlook under current State Statutes
- 4) The village’s operational forecasts based on current fiscal trends
- 5) The projected financial performance of the village’s TID districts.
- 6) The future outlook of the village’s parking, water, and sewer utility fees



Debt Service

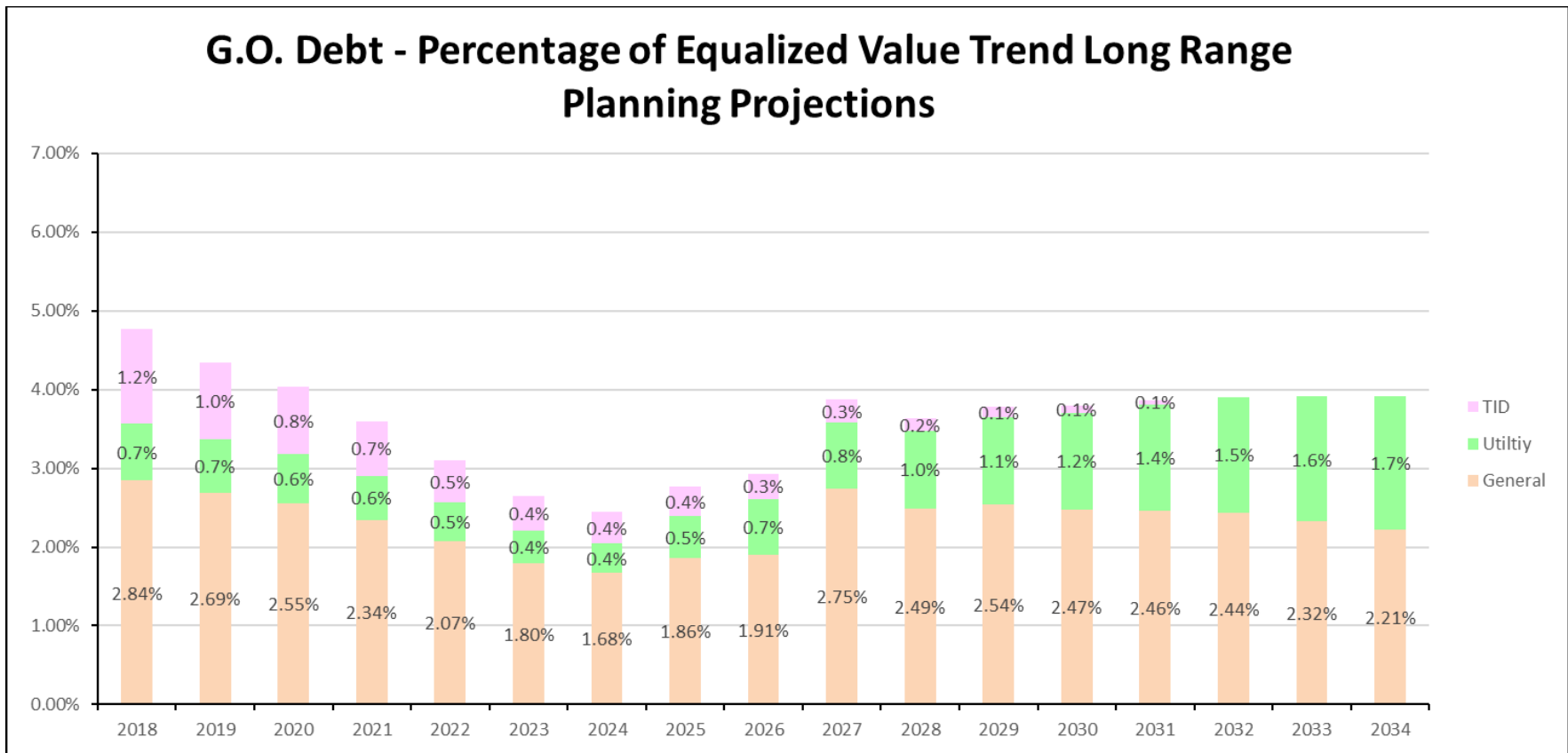
This plan begins by looking at the Village’s current tax levy supported debt service schedule found below on **line 1**. Then, the projected future tax levy debt service needs that would likely be required to implement the proposed capital project schedules found in Appendix A are shown on **line 2**. The result is a projected total debt service need for the village which includes the anticipated costs to implement the proposed capital project schedule. In the village’s previous years' long-range planning, existing available resources (Debt Service Stabilization) were utilized to decrease the funding necessary from debt proceeds. Since those resources have been exhausted, they are no longer presented as an option for funding.

	Budget Year	projected 2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Tax Levy Debt Service												
1	Existing Debt Schedule	2,658,000	2,708,900	2,650,400	4,426,300	6,062,100	3,747,200	3,728,000	3,740,300	3,367,400	2,982,600	2,896,900
2	Future Debt - Per Project Plan	-	165,000	653,300	1,669,700	3,159,900	3,484,500	3,859,400	4,200,800	4,538,400	4,790,700	4,877,200
3	Total Projected Debt Service	2,658,000	2,873,900	3,303,700	6,096,000	9,222,000	7,231,700	7,587,400	7,941,100	7,905,800	7,773,300	7,774,100
4	\$ Change in Debt Service	361,300	215,900	429,800	2,792,300	3,126,000	4,573,700	355,700	353,700	(35,300)	(1,448,700)	800
5	% Chg in Debt Service	15.73%	8.12%	14.96%	84.52%	51.28%	172.07%	4.92%	4.89%	-0.47%	-15.71%	0.01%
6	Gross Debt Service cost per household (\$340,000 assessed value - 2021 base year)	\$532	\$575	\$661	\$1,219	\$1,844	\$1,446	\$1,517	\$1,588	\$1,581	\$1,555	\$1,555



Debt Capacity

The total projected debt service amounts from the previous schedule can then also be used, in addition to other debt information, to help calculate the total amounts of the village’s outstanding General Obligation (G.O.) debt and look at the village’s trends in debt service capacity. In accordance with Wisconsin Statutes, the total general obligation indebtedness of the village may not exceed 5.0% of the total equalized value of property within the village’s jurisdiction. This is also referred to as the Village’s Direct Debt Burden. The village has also adopted additional policy criteria for the preservation of general obligation debt borrowing capacity which can be found in section 3 of the village’s financial policy guidelines located in **Appendix B**.



Long Range Financial Plan 2025 - 2034



Levy Projections

The Village's property tax levy for operations and capital is limited by State Statute to increase no more than the growth factor equivalent to the village's net new construction percentage for each assessment year after an adjustment for debt service. The schedule on the following page evaluates the village's levy limit capacity outlook. This schedule is based on the current State of Wisconsin Levy Limit worksheets model.

While **line 2** of this schedule does reflect the projected allowable levy limit increase related to TID closures, for purposes of this financial plan we have assumed the village will not be able to increase taxes due to any anticipated net new construction factor (**line 6**) during the forecast period, and that the current law will remain in effect for all future years. Under these regulations, line 9 shows the village's maximum allowable levy limit.

Budget Year	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
1 Prior Year's Tax Levy Limit	\$ 12,598,328	\$ 15,083,630	\$ 15,326,866	\$ 15,754,666	\$ 18,818,770	\$ 22,209,548	\$ 20,219,248	\$ 20,574,948	\$ 20,928,648	\$ 20,893,348	\$ 20,760,848
2 TID Closure adjustment (est.)				\$ 271,804	\$ 264,778	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3 Less: Prior Year's Tax Levy											
4 Limit adj. for Debt Service	(197,500)	(2,658,000)	(2,875,900)	(3,303,700)	(6,096,000)	(9,222,000)	(7,231,700)	(7,587,400)	(7,941,100)	(7,905,800)	(7,773,300)
5 Sub-total	12,400,828	12,425,630	12,450,966	12,722,770	12,987,548	12,987,548	12,987,548	12,987,548	12,987,548	12,987,548	12,987,548
6 Growth Factor	0.20%	0.22%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
7 Sub-total	12,425,630	12,452,966	12,450,966	12,722,770	12,987,548	12,987,548	12,987,548	12,987,548	12,987,548	12,987,548	12,987,548
8 Plus Tax Levy for Debt Service	2,658,000	2,873,900	3,303,700	6,096,000	9,222,000	7,231,700	7,587,400	7,941,100	7,905,800	7,773,300	7,774,100
9 Maximum Allowable Levy	\$ 15,083,630	\$ 15,326,866	\$ 15,754,666	\$ 18,818,770	\$ 22,209,548	\$ 20,219,248	\$ 20,574,948	\$ 20,928,648	\$ 20,893,348	\$ 20,760,848	\$ 20,761,648
10 Change in Total Allowable Levy	\$ 2,485,302	\$ 243,236	\$ 427,800	\$ 3,064,104	\$ 3,390,778	\$ (1,990,300)	\$ 355,700	\$ 353,700	\$ (35,300)	\$ (132,500)	\$ 800
11 % Chg in Total Allowable Levy	19.7%	1.6%	2.8%	19.4%	18.0%	-9.0%	1.8%	1.7%	-0.2%	-0.6%	0.0%



Levy Projections

Under the assumptions of a 0% growth factor which allows for no levy limit increases under State Statutes, and an ongoing moderate 2.0% annual levy increase for operations and capital, [line 13](#) shows the trend in the village's reserve levy limit capacity would be over the next several years. While the village will certainly have some new construction in the future, this projection does not speculate on what those levels may be for the purpose of reviewing the reserve levy limit capacity trends.

The following table on [page 8](#) shows a few additional metrics based on a 2% increase in the levy amount. Lines 12 and 13 show the total tax levy with an annual increase of 2%. Due to increased Infrastructure expenditures and rising interest rates, debt service will drive severe decreases in operational expenditures. In years 2025-2028, assuming infrastructure spending shown in Appendix A, levy financed operating/ capital will require a decrease of \$2.0 million, over the next four budget cycles. This assumes a conservative estimate of 5% for debt service interest and a 4% increase in operations and capital expenditures for the 2025 budget.

The projected changes in operating and capital tax levies are shown on [lines 17-18](#). In order to more accurately calculate the tax levy impact that these amounts would have on property owners, the estimated incremental values of the TID's on [lines 19-24](#) are subtracted from the total assessed value of the village. This then derives the "net assessed value" which is the tax base that supports the local tax levies. The incremental values within the TIF districts generate the tax incremental revenues for the TID's.

The resulting estimated tax rates are then calculated and shown on [line 26](#). Following that, the estimated tax impact that this levy would have on a \$340,000 assessed value homeowner are shown on [lines 27-29](#). This schedule also tracks the estimated amount of pending annual tax relief generated in the Village's TIF districts on [lines 30-33](#). This pending tax relief will be realized as each TIF district closes in the coming years.

Starting in the 2027 budget cycle, debt service is expected to increase significantly due to the completion of public works buildings at the same time as the TID 5 Closure. However, the village may change the projections between 2027 and 2029 as it evaluates the next three budget cycles.

Long Range Financial Plan 2025 - 2034



Levy Projections

Budget Year	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
12 Debt Service Tax Levy	2,658,000	2,873,900	3,303,700	4,179,300	5,657,000	5,751,700	6,047,400	6,346,100	6,695,800	7,773,300	7,774,100
13 Levy used for Operations & Capital	9,940,328	9,976,395	9,803,600	9,190,146	7,979,835	8,157,872	8,140,364	8,125,419	8,065,149	7,282,868	7,583,192
14 TotalTax Levy @2% annual Increase	12,598,328	12,850,295	13,107,300	13,369,446	13,636,835	13,909,572	14,187,764	14,471,519	14,760,949	15,056,168	15,357,292
15 Change in Total Levy		251,967	257,006	262,146	267,389	272,737	278,191	283,755	289,430	295,219	301,123
16 % Change from prior year		2%	2%	2%	2%	2%	2%	2%	2%	2%	2%
17 Change in Operating/Capital Levy @2%	(341,117)	36,067	(172,794)	(613,454)	(1,210,311)	178,037	(17,509)	(14,945)	(60,270)	(782,281)	300,323
18 % Chg in Operating/Capital Levy	-3.3%	0.4%	-1.7%	-6.3%	-13.2%	2.2%	-0.2%	-0.2%	-0.7%	-9.7%	4.1%
19 Assessed Values (\$1,000's) 2% annual growth	Est. 1/1/24										
20 Total Assessed 1/1 prior year (AV)	1,842,008	1,878,848	1,916,425	1,954,754	1,993,849	2,033,726	2,074,400	2,115,888	2,158,206	2,201,370	2,245,397
21 TID 3 increment value (EV)	(30,898)	(31,516)	(32,146)	(32,789)	-	-	-	-	-	-	-
22 TID 4 increment value (EV)	(19,517)	(19,907)	(20,305)	(20,712)	-	-	-	-	-	-	-
23 TID 5 increment value (EV)	(61,367)	(62,594)	(63,846)	-	-	-	-	-	-	-	-
24 Net Assessed Value *	1,730,226	1,764,831	1,800,127	1,901,253	1,993,849	2,033,726	2,074,400	2,115,888	2,158,206	2,201,370	2,245,397
* The net assessed value is the total assessed value less the TID incremental values. The net assessed value is the tax base that supports the Village tax levy. The TID incremental values generate the revenues to support TID activities.											
25 Village Only Tax Rate											
26 Per \$1,000 net assessed value	7.281	7.281	7.281	7.032	6.839	6.839	6.839	6.839	6.839	6.839	6.839
27 Estimated Village Tax Bill for a											
27 \$340,000 home (2020 base)	\$ 2,584	\$ 2,636	\$ 2,689	\$ 2,742	\$ 2,797	\$ 2,853	\$ 2,910	\$ 2,969	\$ 3,028	\$ 3,088	\$ 3,150
28 Change from prior year	50	52	53	53	55	56	57	59	59	60	62
29 % Change from prior year	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
30 Value of pending TID tax relief											
31 Village only - Total	\$ 813,920	\$ 830,199	\$ 846,803	\$ 376,213	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
32 Estimated all districts	\$ 1,627,841	\$ 1,660,398	\$ 1,693,606	\$ 752,426	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
33 All districts / \$340,000 home	\$ 326	\$ 332	\$ 339	\$ 150	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Impact of Holding Operating/Capital Levy Flat to Prior Year Expenditures											
34 Ops and Capital Flat	12,598,328	12,814,228	13,280,095	13,982,900	14,847,146	13,731,535	14,205,272	14,486,464	14,821,219	15,838,449	15,056,968
35 Change in Operating/Capital Levy		215,900	465,867	702,806	864,246	(1,115,611)	473,737	281,191	334,755	1,017,230	(781,481)
36 % Change		1.7%	3.6%	5.3%	6.2%	-7.5%	3.4%	2.0%	2.3%	6.9%	-4.9%
37 Village Only Tax Rate											
38 Per \$1,000 net assessed value	7.281	7.261	7.377	7.355	7.446	6.752	6.848	6.847	6.867	7.195	6.706
39 Estimated Village Tax Bill for a											
40 \$340,000 home (2020 base)	\$ 2,584	\$ 2,629	\$ 2,724	\$ 2,868	\$ 3,046	\$ 2,817	\$ 2,914	\$ 2,972	\$ 3,040	\$ 3,249	\$ 3,089
41 Change from prior year	50	45	95	144	178	(229)	97	58	68	209	(160)
42 % Change from prior year	2.0%	1.7%	3.6%	5.3%	6.2%	-7.5%	3.4%	2.0%	2.3%	6.9%	-4.9%

Long Range Financial Plan 2025 - 2034



Operational Forecast

The schedule below summarizes the revenues and expenditures for the General Fund, Library, Senior Resource Center, Capital Projects, and Debt Service funds. The capital projects revenues and expenditures lines are based on the supplemental schedule in the next section. Please also note that the debt service projected revenues and expenditures includes TID debt and the non-tax levy TID transfers received to make those payments.

This schedule starts with the current budget, followed by future revenue and expenditure projections. The future projections are based primarily on other revenues increasing at a rate of 1% per year while expenditures increase by 4% in 2025 and 3% for the remaining years. As a result of this structural imbalance, with baseline expenditures expected to increase at a higher rate than non-tax revenues, a cumulative funding gap would develop over time. This prospective funding gap, shown at the bottom of the schedule, illustrates the potential long-term impact of this imbalance. As a result, this gap must be addressed each year as part of the annual budget process, which requires a balanced budget to avoid this cumulative effect.

	budget 2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Property Taxes											
Property Tax Levy - All Funds	\$ 12,598,328	\$ 12,850,295	\$ 13,107,300	\$ 13,369,446	\$ 13,636,835	\$ 13,909,572	\$ 14,187,764	\$ 14,471,519	\$ 14,760,949	\$ 15,056,168	\$ 15,357,292
Other Revenues (non-tax)											
General Fund (1%)	4,585,387	4,884,450	4,933,294	4,982,627	5,032,453	5,082,778	5,133,606	5,184,942	5,236,791	5,289,159	5,342,051
Library (1%)	138,608	139,994	141,394	142,808	144,236	145,678	147,135	148,607	150,093	151,594	153,109
Elder Services (1%)	107,366	108,440	109,524	110,619	111,725	112,843	113,971	115,111	116,262	117,425	118,599
Shorewood Today (1%)	101,000	102,010	103,030	104,060	105,101	106,152	107,214	108,286	109,369	110,462	111,567
Capital Projects (schedule)	3,005,000	6,535,000	4,506,000	24,250,000	3,517,000	4,672,000	4,075,000	4,210,000	3,875,000	950,000	1,000,000
TID Debt Service	1,031,316	1,013,263	1,057,225	1,068,738	3,168,800	974,738	997,738	1,018,163	585,213	564,738	494,000
Subtotal Other Revenues	8,968,677	12,783,156	10,850,467	30,658,853	12,079,316	11,094,189	10,574,664	10,785,108	10,072,727	7,183,377	7,219,326
Total Revenues	21,567,005	25,633,451	23,957,768	44,028,299	25,716,151	25,003,761	24,762,427	25,256,627	24,833,676	22,239,546	22,576,617
Expenditures											
General Fund (3%)	\$ 13,335,505	\$13,868,925	\$14,284,993	\$14,713,543	\$15,154,949	\$15,609,597	\$16,077,885	\$16,560,222	\$17,057,029	\$17,568,740	\$18,095,802
Library (3%)	1,091,974	1,135,653	1,169,723	1,204,814	1,240,959	1,278,187	1,316,533	1,356,029	1,396,710	1,438,611	1,481,770
Elder Services (3%)	153,710	159,858	164,654	169,594	174,682	179,922	185,320	190,879	196,606	202,504	208,579
Marketing (3%)	-	-	-	-	-	-	-	-	-	-	-
Shorewood Today (3%)	106,500	110,760	114,083	117,505	121,030	124,661	128,401	132,253	136,221	140,307	144,517
Capital Projects (schedule)	3,190,000	7,180,810	5,171,184	24,934,801	4,222,907	5,398,602	4,823,671	4,981,131	4,669,265	1,768,093	1,842,636
Debt Service (projected)	3,689,316	3,887,163	4,360,925	5,248,038	8,825,800	6,726,438	7,045,138	7,364,263	7,281,013	8,338,038	8,268,100
Total Expenditures	21,567,005	26,343,170	25,265,562	46,388,295	29,740,326	29,317,408	29,576,948	30,584,777	30,736,843	29,456,293	30,041,402
Prospective Funding Gap	-	(709,719)	(1,307,794)	(2,359,996)	(4,024,175)	(4,313,647)	(4,814,521)	(5,328,151)	(5,903,166)	(7,216,747)	(7,464,785)
Increase in Levy		2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
Increase in expenditure (input)		4.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%



Capital Projects Forecasts

The Capital Projects Fund schedule shown on the following page organizes revenues and expenditures based on the nature of their funding sources. Annual capital funding sources include property taxes, state aid, and other revenue sources. Long Range Plan funding sources include bond proceeds, grants, and any special assessment related to specific projects.

Annual Capital projects (non-infrastructure) (funded by property taxes and other annual revenues)

The village's vehicle and equipment replacement needs, major facilities maintenance, and other various non-infrastructure projects or one-time initiatives are typically funded through annual revenues. Staff estimates that approximately \$646,000 of ongoing annual funding will be necessary to meet these needs over an extended period of time.

The Village maintains more than \$7 million in vehicles, equipment, and other capital assets used to provide services to the community, which must be periodically replaced. The items whose replacement costs must be funded within the general capital budget include \$600,000 in Police vehicles, \$2,000,000 of DPW general vehicles, \$1,000,000 in refuse collections trucks, \$1,500,000 in other DPW operational equipment, and \$200,000 in IT network equipment. The remaining equipment is within the Library and Water & Sewer utilities and is accounted for elsewhere in the budget.

To effectively manage the replacement of these items, department heads review and update the condition, estimated useful life, and anticipated replacement dates for each asset each year. Based on this input, these items are then prioritized and incorporated into the annual capital budget in a way that attempts to manage the annual funding levels needed to replace these assets in a fiscally sustainable manner.

Long Range Plan projects (infrastructure projects) (funded primarily through bond proceeds)

Appendix A identifies the various infrastructure projects and implementation schedules which will be funded primarily through debt financing. This plan captures the combination of planning efforts that have been done for the Village's infrastructure assets, including roads, water, sanitary sewer and stormwater systems, and other municipal infrastructure needs.

Long Range Financial Plan 2025 - 2033

General Capital Projects Fund - 400



Account Number	Account Name	budget 2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Revenues												
Annual Capital Funding Sources												
400-5700-41110	Property Taxes (2.0% growth)	\$ 627,000	\$ 645,810	\$ 665,184	\$ 685,140	\$ 705,694	\$ 726,865	\$ 748,671	\$ 771,131	\$ 794,265	\$ 818,093	\$ 842,636
400-5700-43530	State Transportation Aids	-	-	-	-	-	-	-	-	-	-	-
400-5700-43590	One-time Revenues	-	-	-	-	-	-	-	-	-	-	-
400-9000-49700	Property Sales	-	-	-	-	-	-	-	-	-	-	-
Total Annual Capital Revenues		627,000	645,810	665,184	685,140	705,694	726,865	748,671	771,131	794,265	818,093	842,636
Long Range Plan Funding Sources												
400-9000-49800	Bond Proceeds / Reserves	3,005,000	6,534,725	4,505,721	24,249,661	3,517,213	4,671,737	4,075,000	4,210,000	3,875,000	950,000	1,060,000
400-5700-43730	Other Revenues	-	-	-	-	-	-	-	-	-	-	-
Total LRP Capital Revenues		3,005,000	6,534,725	4,505,721	24,249,661	3,517,213	4,671,737	4,075,000	4,210,000	3,875,000	950,000	1,060,000
Total Revenue		3,632,000	7,180,535	5,170,905	24,934,801	4,222,907	5,398,602	4,823,671	4,981,131	4,669,265	1,768,093	1,902,636
Expenditures												
General Annual Capital needs		\$ 560,000	\$ 645,810	\$ 665,184	\$ 685,140	\$ 705,694	\$ 726,865	\$ 748,671	\$ 771,131	\$ 794,265	\$ 818,093	\$ 842,636
Long Range Plan projects												
Infrastructure		2,630,000	6,534,725	4,505,721	24,249,661	3,517,213	4,671,737	4,075,000	4,210,000	3,875,000	950,000	1,000,000
Other General Projects in Plan		-	-	-	-	-	-	-	-	-	-	-
Debt Issuance Costs (net)		-	-	-	-	-	-	-	-	-	-	60,000
Sub-total LRP projects		2,630,000	6,534,725	4,505,721	24,249,661	3,517,213	4,671,737	4,075,000	4,210,000	3,875,000	950,000	1,060,000
Total Expenditures		3,190,000	7,180,535	5,170,905	24,934,801	4,222,907	5,398,602	4,823,671	4,981,131	4,669,265	1,768,093	1,902,636



TID Projections

The status of the village’s TIDs impacts both the village’s levy limit and the projected tax impact of future projects and pending tax relief due to the increased property values within each district. The following schedules reflect the current status and projected closing dates for each of the village's TIF districts.

Tax Incremental District #3					Moderate assumptions								Created: 2008, Mandatory Close: 2035			
Cash Flow Projections					Property appreciation factor				2.00%							
6/24/2024					Tax rate appreciation factor				1.50%							
Budget / Revenue Year	Property Valuation Estimates				Taxes	Revenue Estimates			Expenditure Estimates				Cash Position / Debt			Budget / Revenue Year
	PY equalized value	Change / Inflationary Increase	Projected Equalized Value	Increment Value	Projected Tax Rate / 1,000	Incremental Revenues	Other Revenues	Total Revenues	Debt Service	Other Expenditures	Total Expenditures	Annual Change	Cumulative Ending Cash Balances	Year-end Outstanding Debt	Difference	
2019			31,108,900		28.38								\$ 180,000	\$ 6,963,450	\$ (6,783,450)	2019
2020	31,108,900	4,326,100	35,435,000	27,686,600	27.11	\$ 800,650	\$ 30,000	\$ 830,650	\$ 530,550	\$ 65,000	\$ 595,550	\$ 235,100	\$ 460,000	\$ 6,611,500	\$ (6,151,500)	2020
2021	35,435,000	11,600,000	47,035,000	39,286,600	27.44	\$ 1,199,830	\$ 30,000	\$ 1,229,830	\$ 906,587	\$ 20,000	\$ 926,587	\$ 303,243	\$ 777,000	\$ 6,252,830	\$ (5,475,830)	2021
2022	47,035,000	(8,380,000)	38,655,000	30,906,600	24.83	\$ 767,411	\$ 30,000	\$ 797,411	\$ 678,470	\$ 60,000	\$ 738,470	\$ 58,941	\$ 1,135,000	\$ 5,880,000	\$ (4,745,000)	2022
2023	38,646,400	17,288,100	55,934,500	48,186,100	24.92	\$ 1,200,798	\$ 30,000	\$ 1,230,798	\$ 610,400	\$ 15,000	\$ 625,400	\$ 605,398	\$ 1,740,398	\$ 5,545,000	\$ (3,804,602)	2023
2024	55,934,500	1,118,690	57,053,190	49,304,790	25.29	\$ 1,247,105	\$ 30,000	\$ 1,277,105	\$ 345,500	\$ 15,000	\$ 360,500	\$ 916,605	\$ 2,657,003	\$ 5,500,000	\$ (2,842,997)	2024
2025	57,053,190	1,141,064	58,194,254	50,445,854	25.67	\$ 1,295,107	\$ 30,000	\$ 1,325,107	\$ 500,000	\$ 15,000	\$ 515,000	\$ 810,107	\$ 3,467,110	\$ 5,200,000	\$ (1,732,890)	2025
2026	58,194,254	1,163,885	59,358,139	51,609,739	26.06	\$ 1,344,862	\$ 30,000	\$ 1,374,862	\$ 525,000	\$ 15,000	\$ 540,000	\$ 834,862	\$ 4,301,972	\$ 4,875,000	\$ (573,028)	2026
2027	59,358,139	1,187,163	60,545,302	52,796,902	26.45	\$ 1,396,435	\$ 30,000	\$ 1,426,435	\$ 551,250	\$ 15,000	\$ 566,250	\$ 860,185	\$ 5,162,157	\$ 4,540,000	\$ 622,157	2027
2028	60,545,302	1,210,906	61,756,208	54,007,808	26.85	\$ 1,449,889	\$ 30,000	\$ 1,479,889	\$ 578,813	\$ 15,000	\$ 593,813	\$ 886,077	\$ 6,048,234	\$ 3,800,000	\$ 2,248,234	2028
2029	61,756,208	1,235,124	62,991,332	55,242,932	27.25	\$ 1,505,293	\$ 30,000	\$ 1,535,293	\$ 607,753	\$ 15,000	\$ 622,753	\$ 912,540	\$ 6,960,773	\$ 3,400,000	\$ 3,560,773	2029
2030	62,991,332	1,259,827	64,251,158	56,502,758	27.66	\$ 1,562,716	\$ 30,000	\$ 1,592,716	\$ 638,141	\$ 15,000	\$ 653,141	\$ 939,575	\$ 7,900,348	\$ 3,000,000	\$ 4,900,348	2030

Long Range Financial Plan 2025 - 2034



TID Projections

Tax Incremental District #4				Moderate assumptions								Created: 2011, Mandatory Close: 2038				
Cash Flow Projections				Property appreciation factor 2.00%												
6/24/2024				Tax rate appreciation factor 1.50%												
Budget / Revenue Year	Property Valuation Estimates				Taxes	Revenue Estimates			Expenditure Estimates				Cash Position / Debt			Budget / Revenue Year
	PY equalized value	Change / Inflationary Increase	Projected Equalized Value	Increment Value	Projected Tax Rate / 1,000	Incremental Revenues	Other Revenues	Total Revenues	Debt Service	Other Expenditures	Total Expenditures	Annual Change	Cumulative Ending Cash Balances	Year-end Outstanding Debt	Difference	
2019			19,603,200		28.38								\$ 900,000	\$ 6,650,000	\$ (5,750,000)	2019
2020	19,603,200	(578,700)	19,024,500	17,829,100	27.11	\$ 515,600	\$ 200,000	\$ 715,600	\$ 506,270	\$ 5,000	\$ 511,270	\$ 204,330	\$ 1,150,000	\$ 6,340,000	\$ (5,190,000)	2020
2021	19,024,500	(737,100)	18,287,400	17,092,000	27.44	\$ 469,004	\$ 200,000	\$ 669,004	\$ 514,700	\$ 5,000	\$ 519,700	\$ 149,304	\$ 1,321,250	\$ 6,015,000	\$ (4,693,750)	2021
2022	18,287,400	2,422,600	20,710,000	19,514,600	24.83	\$ 484,548	\$ 200,000	\$ 684,548	\$ 532,000	\$ 5,000	\$ 537,000	\$ 147,548	\$ 1,450,000	\$ 5,665,000	\$ (4,215,000)	2022
2023	20,712,400	1,804,800	22,517,200	21,321,800	24.92	\$ 531,339	\$ 200,000	\$ 731,339	\$ 543,340	\$ 5,000	\$ 548,340	\$ 182,999	\$ 1,632,999	\$ 5,295,000	\$ (3,662,001)	2023
2024	22,517,200	450,344	22,967,544	21,772,144	25.29	\$ 550,700	\$ 200,000	\$ 750,700	\$ 543,700	\$ 5,000	\$ 548,700	\$ 202,000	\$ 1,835,000	\$ 4,915,000	\$ (3,080,000)	2024
2025	22,967,544	459,351	23,426,895	22,231,495	25.67	\$ 570,754	\$ 200,000	\$ 770,754	\$ 553,840	\$ 5,000	\$ 558,840	\$ 211,914	\$ 2,046,913	\$ 4,515,000	\$ (2,468,087)	2025
2026	23,426,895	468,538	23,895,433	22,700,033	26.06	\$ 591,524	\$ 200,000	\$ 791,524	\$ 556,650	\$ 5,000	\$ 561,650	\$ 229,874	\$ 2,276,788	\$ 4,100,000	\$ (1,823,212)	2026
2027	23,895,433	477,909	24,373,341	23,177,941	26.45	\$ 613,038	\$ 200,000	\$ 813,038	\$ 554,000	\$ 5,000	\$ 559,000	\$ 254,038	\$ 2,530,825	\$ 3,675,000	\$ (1,144,175)	2027
2028	24,373,341	487,467	24,860,808	23,665,408	26.85	\$ 635,320	\$ 2,215,000	\$ 2,850,320	\$ 2,616,075	\$ 5,000	\$ 2,621,075	\$ 229,245	\$ 2,760,070	\$ 1,175,000	\$ 1,585,070	2028
2029	24,860,808	497,216	25,358,024	24,162,624	27.25	\$ 658,398	\$ 25,000	\$ 683,398	\$ 411,250	\$ 5,000	\$ 416,250	\$ 267,148	\$ 3,027,218	\$ 800,000	\$ 2,227,218	2029
2030	25,358,024	507,160	25,865,185	24,669,785	27.66	\$ 682,301	\$ 25,000	\$ 707,301	\$ 425,000	\$ 5,000	\$ 430,000	\$ 277,301	\$ 3,304,518	\$ 400,000	\$ 2,904,518	2030

Long Range Financial Plan 2025 - 2034



TID Projections

Tax Incremental District #5				Moderate assumptions								Created: 2014, Mandatory Close: 2041				
Cash Flow Projections				Property appreciation factor		2.00%										
6/24/2024				Tax rate appreciation factor		1.50%										
	Property Valuation Estimates				Taxes	Revenue Estimates			Expenditure Estimates				Cash Position / Debt			
Budget / Revenue Year	PY equalized value	Change / Inflationary Increase	Projected Equalized Value	Increment Value	Projected Tax Rate / 1,000	Incremental Revenues	Other Revenues	Total Revenues	Debt Service	Other Expenditures	Total Expenditures	Annual Change	Cumulative Ending Cash Balances	Year-end Outstanding Debt	Difference	Budget / Revenue Year
2019			52,831,900		28.38								\$ 2,075,000	\$ 5,690,000	\$ (3,615,000)	2019
2020	52,831,900	2,241,500	55,073,400	46,987,600	27.11	\$ 1,358,800	\$ 40,000	\$ 1,398,800	\$ 415,625	\$ 25,000	\$ 440,625	\$ 958,175	\$ 3,050,000	\$ 5,465,000	\$ (2,415,000)	2020
2021	55,073,400	6,150,000	61,223,400	53,137,600	27.44	\$ 1,438,096	\$ 40,000	\$ 1,478,096	\$ 435,900	\$ 25,000	\$ 460,900	\$ 1,017,196	\$ 4,295,000	\$ 5,215,000	\$ (920,000)	2021
2022	61,223,400	8,231,500	69,454,900	61,369,100	24.83	\$ 1,523,795	\$ 40,000	\$ 1,563,795	\$ 425,150	\$ 25,000	\$ 450,150	\$ 1,113,645	\$ 5,275,000	\$ 4,970,000	\$ 305,000	2022
2023	69,452,800	4,872,700	74,325,500	66,239,700	24.92	\$ 1,650,693	\$ 50,000	\$ 1,700,693	\$ 444,150	\$ 50,000	\$ 494,150	\$ 1,206,543	\$ 6,481,543	\$ 4,700,000	\$ 1,781,543	2023
2024	74,325,500	1,486,510	75,812,010	67,726,210	25.29	\$ 1,713,053	\$ 50,000	\$ 1,763,053	\$ 442,125	\$ 100,000	\$ 542,125	\$ 1,220,928	\$ 7,702,472	\$ 4,425,000	\$ 3,277,472	2024
2025	75,812,010	1,516,240	77,328,250	69,242,450	25.67	\$ 1,777,676	\$ 50,000	\$ 1,827,676	\$ 459,425	\$ 5,000	\$ 464,425	\$ 1,363,251	\$ 9,065,722	\$ 4,125,000	\$ 4,940,722	2025
2026	77,328,250	1,546,565	78,874,815	70,789,015	26.06	\$ 1,844,642	\$ 50,000	\$ 1,894,642	\$ 500,575	\$ 6,270,000	\$ 6,770,575	\$ (4,875,933)	\$ 4,189,789	\$ 3,775,000	\$ 414,789	2026
2027	78,874,815	1,577,496	80,452,312	72,366,512	26.45	\$ 1,914,035	\$ 50,000	\$ 1,964,035	\$ 514,725	\$ 5,000	\$ 519,725	\$ 1,444,310	\$ 5,634,099	\$ 3,400,000	\$ 2,234,099	2027
2028	80,452,312	1,609,046	82,061,358	73,975,558	26.85	\$ 1,985,942	\$ 50,000	\$ 2,035,942	\$ 552,725	\$ 5,000	\$ 557,725	\$ 1,478,217	\$ 7,112,316	\$ 2,975,000	\$ 4,137,316	2028
2029	82,061,358	1,641,227	83,702,585	75,616,785	27.25	\$ 2,060,452	\$ 50,000	\$ 2,110,452	\$ 563,500	\$ 5,000	\$ 568,500	\$ 1,541,952	\$ 8,654,268	\$ 2,525,000	\$ 6,129,268	2029
2030	83,702,585	1,674,052	85,376,637	77,290,837	27.66	\$ 2,137,659	\$ 50,000	\$ 2,187,659	\$ 572,750	\$ 5,000	\$ 577,750	\$ 1,609,909	\$ 10,264,176	\$ 2,050,000	\$ 8,214,176	2030



Parking Utility

Current Rates and Customer Information

General rate and permit data for the utility is shown below:

General Rate and Permit Data	Monthly	Annually
Hourly Restricted	\$30	\$360
Unrestricted 24 Hr	\$50	\$600
Amount paid to private lot owners	\$12	\$144
		Budget
	<u>2023</u>	<u>2024</u>
Permits sold - Village lots	1,931	1,432
Permits sold - private lots	181	774
Total	2,112	2,206

Long Range Plan Notes

- Past years' budgets for the parking utility have included costs for software and other technology to automate the parking permit process. The village's permit solution now offers online permitting and payments for most of the village's permitted parking activities.

Recommended Future Rates

The parking utility includes the cost for managing the village's overnight parking lot permit program and the maintenance costs associated with keeping the lots clear of snow and ice in the winter.

Historically, the costs associated with writing and collecting parking tickets have been reported in the General Fund, along with parking ticket revenue. The utility then gets charged the cost of ¼ of a police civilian staff's salary and benefits for enforcement in the permitted lots.

The parking utility also accumulated reserve funds for lot resurfacing, or the acquisition of additional public parking lots as may be needed in future years.

Long Range Financial Plan 2023 - 2032



Parking Utility

	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Revenues												
Monthly Permit Fees	\$ 87,200	\$ 87,200	\$ 87,200	\$ 87,200	\$ 87,200	\$ 87,200	\$ 87,200	\$ 87,200	\$ 87,200	\$ 87,200	\$ 87,200	\$ 87,200
Daily permit fees	-	-	-	-	-	-	-	-	-	-	-	-
Other Revenues	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
Total Revenues	92,200	92,200	92,200	92,200	92,200	92,200	92,200	92,200	92,200	92,200	92,200	92,200
Expenses												
Staff Costs (2%)	16,320	16,646	16,979	17,319	17,665	18,019	18,379	18,747	19,121	19,504	19,894	20,292
PILOT expenses (2.5%)	20,705	21,223	21,753	22,297	22,854	23,426	24,011	24,612	25,227	25,858	26,504	27,167
Other Expenses (2%)	40,086	40,888	41,705	42,540	43,390	44,258	45,143	46,046	46,967	47,906	48,865	49,842
Total Expenses	77,111	78,757	80,438	82,156	83,910	85,703	87,534	89,405	91,316	93,268	95,263	97,301
Net Change in Equity	15,089	13,443	11,762	10,044	8,290	6,497	4,666	2,795	884	(1,068)	(3,063)	(5,101)
Beginning Equity	716,613	731,702	745,145	756,907	766,951	775,241	781,739	786,405	789,200	790,085	789,017	785,954
Ending Equity	\$ 731,702	\$ 745,145	\$ 756,907	\$ 766,951	\$ 775,241	\$ 781,739	\$ 786,405	\$ 789,200	\$ 790,085	\$ 789,017	\$ 785,954	\$ 780,853
Rate increase included above	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
* - The Parking Utility budgets on a full accrual method. The estimated cash position of the utility is also affected by capital purchases and principal repayment of bonds and is shown below.												
Estimated YE cash position	\$ 509,282	\$ 531,925	\$ 528,687	\$ 518,731	\$ 532,021	\$ 543,519	\$ 553,185	\$ 560,980	\$ 566,865	\$ 570,797	\$ 572,734	\$ 572,633



Water Utility

Current Rates and Customer Information

General rate and permit data for the utility is shown below:

General Rate Data	Quarterly	Annual
Meter service charge (3/4")	\$ 30.00	\$120.00
Public Fire Fees (3/4")	\$ 20.91	\$83.64
Plus Volumetric per 1,000 Gallons	\$ 4.52	\$271.20
Last Full Rate Increase	1/1/23	
Quarterly Bill (10,000 gal.)	\$6.00	\$24.00
	No. of	Consumption
Five Year Estimate	Customers	1000 gal.
Residential Customers	3,234	190,000
Multi-Family	162	110,000
Commercial	102	25,000
Public Authority	40	9,000
	<u>3,538</u>	<u>334,000</u>

Long Range Plan Notes

- Significant new lead service lateral replacement future capital projects are included in the plan for water main replacements done in conjunction with road projects and other stand along water main projects.

Recommended Future Rates

In 2022 the Public Service Commission (PSC) approved a 13.67% overall water rate increase effective 1/6/23.

The Public Service Commission (PSC) reviews and designs the village's water utility rates. Rate increase requests can only be made under certain conditions. This long-range plan calls for the Water utility to bond for nearly \$31 million of system improvements over the next 10 years.

The Village also targets cash reserves for this fund to be approximately 25% of operating expenses, as customers are billed quarterly for the previous quarter's consumption, while utility vendors are paid monthly.

Based upon projected estimates in the water utility, a rate increase of 40% is anticipated in 2025. However, as these future capital projects are completed, additional large rate increases will also likely be needed in 2029 (30%) and 2033 (20%), primarily to support the increased debt service payments for these projects as well as other general cost increases. The Utility will also need to apply for annual simplified rate increases over the next 10 years to absorb inflationary costs.

Staff will continue to monitor the utility's purchased water costs from the Milwaukee Water Works as any significant increases in these costs will also have an impact on rates.

Long Range Financial Plan 2025 - 2034



Water Utility

Provided by City Water

	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
1 Revenues											
2 User Fees	\$ 2,994,849	\$ 2,994,849	\$ 3,121,321	\$ 3,254,118	\$ 4,230,170	\$ 4,230,170	\$ 4,418,409	\$ 5,406,662	\$ 5,406,662	\$ 5,653,725	\$ 5,913,142
3 Other Revenues	89,208	89,208	89,208	89,208	89,208	89,208	89,208	89,208	89,208	89,208	89,208
4 Total Operating Revenues	<u>3,084,057</u>	<u>3,084,057</u>	<u>3,210,529</u>	<u>3,343,326</u>	<u>4,319,378</u>	<u>4,319,378</u>	<u>4,507,617</u>	<u>5,495,870</u>	<u>5,495,870</u>	<u>5,742,933</u>	<u>6,002,350</u>
5 Expenses											
6 Purchase Water	\$ 622,614	\$ 641,292	\$ 660,531	\$ 680,347	\$ 700,758	\$ 721,780	\$ 743,434	\$ 765,737	\$ 788,709	\$ 812,370	\$ 836,741
7 Taxes & Tax Equivalent	240,336	261,786	344,500	417,888	491,275	564,663	638,051	711,439	784,826	858,214	931,602
8 Depreciation	278,488	305,972	411,953	505,985	600,017	694,049	788,082	882,114	976,146	1,070,178	1,164,210
9 Other Expenses	\$ 658,261	\$ 671,966	\$ 686,064	\$ 700,566	\$ 715,486	\$ 730,836	\$ 746,630	\$ 762,883	\$ 779,608	\$ 796,820	\$ 814,537
10 PLSL Grant Expense	685,800	685,800	685,800	685,800	685,800	685,800	685,800	685,800	685,800	685,800	685,800
11 Total Operating Expenses	<u>2,485,499</u>	<u>2,566,816</u>	<u>2,788,848</u>	<u>2,990,586</u>	<u>3,193,336</u>	<u>3,397,129</u>	<u>3,601,996</u>	<u>3,807,971</u>	<u>4,015,088</u>	<u>4,223,382</u>	<u>4,432,890</u>
12 Net Operating Revenue	\$ 598,558	\$ 517,240	\$ 421,681	\$ 352,739	\$ 1,126,042	\$ 922,249	\$ 905,621	\$ 1,687,899	\$ 1,480,782	\$ 1,519,551	\$ 1,569,460
13 PSC Rate of Return	6.20%	4.27%	2.65%	1.82%	4.96%	3.55%	3.11%	5.25%	4.21%	4.00%	3.85%
14 Rate increase included above	39.48%	0.00%	5.00%	5.00%	35.00%	0.00%	5.00%	25.00%	0.00%	5.00%	5.00%
15 Revenue coverage 125% target	116.00%	109.00%	62.00%	67.00%	94.00%	88.00%	70.00%	106.00%	93.00%	96.00%	84.00%
16 Borrowings	-	8,369,120	-	7,869,120	-	7,869,120	-	7,869,120	-	7,869,120	-
17 P&I Payments	758,728	755,497	1,337,169	1,273,017	1,844,889	1,842,413	2,422,298	2,420,249	2,655,456	2,696,455	3,239,424
18 Capital Expenses	1,150,000	4,434,560	3,934,560	3,934,560	3,934,560	3,934,560	3,934,560	3,934,560	3,934,560	3,934,560	3,934,560
19 Estimated cash position	<u>2,669,698</u>	<u>2,752,413</u>	<u>2,263,879</u>	<u>1,864,586</u>	<u>1,760,757</u>	<u>1,549,643</u>	<u>836,047</u>	<u>1,000,810</u>	<u>817,282</u>	<u>1,709,196</u>	<u>1,218,442</u>



Sewer Utility

Current Rates and Customer Information

General rate and permit data for the utility is shown below:

General Rate Data	Quarterly	Annual
Service charge	\$ 16.63	\$66.52
Plus Volumetric per 1000 Gallons	\$ 11.69	\$59.76
Last Rate Increase	1/1/24	
Quarterly Bill (1,000 Gallons Usage)	\$168.60	\$674.40

Long Range Plan Notes

- The Village continues to plan substantial capital investment in Sanitary Sewer infrastructure in the coming years. This plan includes the assumption that future sewer borrowings to fund these projects will be Revenue bond borrowings.
- These borrowings require that utility rates be set at a level so that operating revenues will cover debt service by 125%. In addition, the utility will also be required to set aside separate bonding cash reserves. The fiscal schedule on the next page includes estimates of these needs and trends over time.

Recommended Future Rates

The Village’s Sewer Utility Rates are reviewed by the Village on an annual basis. The Village targets cash reserves for this fund to be approximately 25% of operating expenses, as customers are billed quarterly for the previous quarter’s consumption, while utility vendors are paid monthly.

After the 2010 flood, the Village began substantial capital reinvestment to reduce the possibility of recurrence of sewer backups. Since then, the Village has spent nearly \$22 million on stormwater and sanitary sewer projects. The total remaining south improvements are expected to require an additional \$2.2 million over the next five years.

In January 2024, the sewer utility approved a 22% net rate increase to begin preparing for the upcoming projects. Additional rate increases will also be needed to continue funding capital improvements for the southeast portion of the village and other ongoing cost increases in the coming years.

Rate increases of 8.0% in 2025 are currently projected to be necessary to support these efforts.

Long Range Financial Plan 2025 - 2034



Sewer Utility

	budget										
	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	
1 Revenues											
2 User Fees	\$ 3,623,400	\$ 3,913,272	\$ 3,913,272	\$ 3,913,272	\$ 3,913,272	\$ 3,913,272	\$ 3,913,272	\$ 3,913,272	\$ 3,913,272	\$ 3,913,272	\$ 3,913,272
3 Other Revenues	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000
4 Total Revenues	3,653,400	3,943,272	3,943,272	3,943,272	3,943,272	3,943,272	3,943,272	3,943,272	3,943,272	3,943,272	3,943,272
5 Expenses											
6 Treatment Expense (3%)	\$ 824,000	\$ 848,720	\$ 874,182	\$ 900,407	\$ 927,419	\$ 955,242	\$ 983,899	\$ 1,013,416	\$ 1,043,819	\$ 1,075,133	
7 Depreciation	650,000	750,000	750,000	750,000	750,000	750,000	750,000	750,000	750,000	750,000	750,000
8 Other Expenses (3%)	939,450	967,633	996,662	1,026,562	1,057,359	1,089,080	1,121,752	1,155,405	1,190,067	1,225,769	
9 Interest Expense	507,180	474,450	438,491	404,601	369,098	335,329	299,415	264,677	231,477	197,571	
10 Total Expenses	2,920,630	3,040,803	3,059,335	3,081,570	3,103,876	3,129,651	3,155,066	3,183,498	3,215,362	3,248,472	
11 Net Change in Equity	732,770	902,469	883,937	861,702	839,396	813,621	788,206	759,774	727,910	694,800	
12 Beginning Equity	11,761,800	12,494,570	13,397,039	14,280,976	15,142,678	15,982,074	16,795,696	17,583,902	18,343,676	19,071,585	
13 Ending Equity	12,494,570	13,397,039	14,280,976	15,142,678	15,982,074	16,795,696	17,583,902	18,343,676	19,071,585	19,766,385	
14 Rate increase included above	22.00%	8.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
15 Revenue coverage 125% target	125.00%	125.00%	125.00%	133.00%	141.00%	138.00%	136.00%	133.00%	131.00%	167.00%	
* - The Sewer Utility budgets on a full accrual method. The estimated cash position of the utility is also affected by capital purchases and principal repayment of bonds and is shown below.											
16 Self-funded capital costs	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000
17 Bond principal payments	975,986	1,205,098	1,200,833	1,088,585	998,585	1,018,585	1,033,585	1,043,585	1,053,585	768,585	
Self-funded bond reserves	-	-	-	-	-	-	-	-	-	-	-
18 Estimated cash position	\$ 995,310	\$ 1,192,682	\$ 1,375,786	\$ 1,648,903	\$ 1,989,714	\$ 1,290,347	\$ 1,544,968	\$ 1,761,157	\$ 1,719,293	\$ 2,415,929	
19 Cash Target 25% Oper'g Exp	\$ 567,700	\$ 572,700	\$ 577,300	\$ 582,900	\$ 588,500	\$ 594,900	\$ 601,300	\$ 608,400	\$ 616,300	\$ 624,600	



Comparative Utility Rates

This table provides some comparative data illustrating where the Village of Shorewood currently ranks based on total non-tax levy quarterly charges per household.

The challenge with this chart is that not all communities allocate all of their costs in the same manner. Some communities have separate stormwater utilities, while some integrate these costs within the sewer utility.

Other communities may not even separate these costs at all as they may be integrated into their general operations budget costs for culvert installation and maintenance in above-ground stormwater systems, or they could just be part of typical road construction and maintenance costs.

Estimated Annual Cost of Service Comparison							
2024 Rate Survey							
Rank	Municipality	Water	Sewer	Storm	Refuse / Recycling	Total	Quarterly
1	Mequon	\$ 557.28	\$ 653.64	\$ -	\$ 280.00	\$ 1,490.92	\$ 372.73
2	South Milwaukee	\$ 583.76	\$ 440.47	\$ 107.40	\$ 81.93	\$ 1,213.56	\$ 303.39
3	Bayside	\$ 376.24	\$ 536.00	\$ 264.00	\$ -	\$ 1,176.24	\$ 294.06
4	Port Washington	\$ 691.54	\$ 395.40	\$ -	\$ 54.10	\$ 1,141.04	\$ 285.26
5	Sauville	\$ 435.68	\$ 456.80	\$ -	\$ 219.00	\$ 1,111.48	\$ 277.87
6	Shorewood	\$ 384.44	\$ 674.40	\$ -	\$ -	\$ 1,058.84	\$ 264.71
7	Fox Point	\$ 463.48	\$ 346.56	\$ 159.16	\$ 78.00	\$ 1,047.20	\$ 261.80
8	Cedarburg	\$ 430.20	\$ 580.00	\$ -	\$ -	\$ 1,010.20	\$ 252.55
9	Franklin	\$ 328.88	\$ 487.84	\$ -	\$ 159.60	\$ 976.32	\$ 244.08
10	Glendale	\$ 528.60	\$ 258.68	\$ 128.00	\$ -	\$ 915.28	\$ 228.82
11	Greenfield	\$ 306.88	\$ 261.00	\$ 83.68	\$ 235.95	\$ 887.51	\$ 221.88
12	Grafton	\$ 231.04	\$ 578.80	\$ -	\$ 34.80	\$ 844.64	\$ 211.16
13	Greendale	\$ 352.88	\$ 259.84	\$ 88.20	\$ 60.00	\$ 760.92	\$ 190.23
14	Wauwatosa	\$ 414.36	\$ 215.36	\$ 130.52	\$ -	\$ 760.24	\$ 190.06
15	Cudahy	\$ 268.68	\$ 242.24	\$ 100.00	\$ 140.00	\$ 750.92	\$ 187.73
16	Milwaukee	\$ 215.76	\$ 159.88	\$ 98.40	\$ 256.24	\$ 730.28	\$ 182.57
17	West Allis	\$ 283.96	\$ 267.52	\$ -	\$ 142.64	\$ 694.12	\$ 173.53
18	Whitefish Bay	\$ 327.56	\$ 205.40	\$ 100.00	\$ -	\$ 632.96	\$ 158.24
19	Brown Deer	\$ 262.96	\$ 131.88	\$ 140.52	\$ 80.00	\$ 615.36	\$ 153.84
20	Oak Creek	\$ 331.72	\$ 252.44	\$ -	\$ -	\$ 584.16	\$ 146.04

Long Range Financial Plan 2025 - 2034



Estimated Average Residential Property Owner Payments

When contemplating the total fiscal impact that the implementation of this capital project schedule will have on residents, it is important to consider the combined impact of both any increased property taxes and any resulting increases in the village's municipal utility charges that our residents will incur because of these various infrastructure projects.

Given the parameters identified in this plan, the following schedule shows the aggregate impact of both factors.

Payment Type	approx. 2023	Projected 2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Tax Bill (Village Portion)	\$ 2,534	\$ 2,639	\$ 3,188	\$ 3,253	\$ 3,809	\$ 4,298	\$ 3,975	\$ 4,097	\$ 4,223	\$ 4,291	\$4,296	\$4,381
Water Flat Quarterly	50.02	50.02	69.76	69.76	73.25	76.91	103.83	103.83	109.03	136.28	136.28	136.28
Water Consumption	3.60	3.60	5.02	5.02	5.27	5.54	7.47	7.47	7.85	9.81	9.81	9.81
Water Bill	387	387	540	540	567	596	804	804	844	1,055	1,055	1,055
Sewer Flat	13.30	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00
Sewer Consumption	7.00	8.54	9.22	9.22	9.22	9.22	9.22	9.22	9.22	9.22	9.22	9.22
Sewer Bill	417	504	540	540	540	540	540	540	540	540	540	540
Sub-total Utility Bill	804	891	1,080	1,080	1,107	1,135	1,344	1,344	1,384	1,595	1,595	1,595
Total	\$ 3,338	\$ 3,530	\$ 4,268	\$ 4,333	\$ 4,916	\$ 5,433	\$ 5,319	\$ 5,441	\$ 5,607	\$ 5,886	\$5,891	\$5,976
Change from Prior Year	\$ 164	\$ 192	\$ 737	\$ 65	\$ 583	\$ 517	\$ (115)	\$ 122	\$ 166	\$ 279	\$ 5	\$ 85
% Change from Prior Year	5.15%	5.75%	20.89%	1.52%	13.46%	10.52%	-2.11%	2.29%	3.05%	4.98%	0.08%	1.44%
Property tax amounts shown are based on a \$340,000 current* assessed property.												
* Prior years tax bills are approximated based on current values applied backwards												
Change and percentage change assume that rate increases are in place for the entire calendar year.												
Water and Sewer bills are based on 1,300 cubic feet of water consumption per quarter.												



APPENDIX A

APPENDIX A



Project Implementation Schedule

The following project implementation schedule is first and foremost a management tool. The various fiscal projections, accompanying project narratives, and prospective implementation maps that support this schedule all serve to provide context to the implementation of the proposed plan. Therefore, it is important to understand the context of the following items.

Project cost estimates

All project cost estimates are all in current dollars and are not intended to reflect allowances for unpredictable changes in materials costs, or other market conditions that may ultimately impact on the actual future project costs. This is done for simplicity in order to be able to compare the relative distribution of fiscal resources across various projects over an extended period of time.

With each annual update of this plan, cost estimates will be updated in an attempt to keep in line with current market conditions, or changes in various project implementation scopes or schedules. Most project costs are based on very broad engineering and construction estimates or assumptions. However, as projects get closer to their implementation dates, additional engineering analysis is performed too, in order to provide more refined cost estimates as the details of these projects can be better evaluated.

Implementation Schedules

The implementation schedules in this plan try to take into consideration several factors. At one level is an analysis of just how much work can be accomplished per year and what are the most critical priorities given the current conditions, competing needs, and limited resources of the Village. Then there also must be an evaluation of the impact that the scheduling of these projects will have on the neighborhoods where the construction is occurring, as well as the community as a whole. Additionally, several different project schedules may need to be coordinated in order to help reduce costs, as well as minimize the impact to the community.

All of this is done within the context of what we know when the plan is prepared each year. Therefore, as more information becomes available and the plan is updated each year, changes to the details of these implementation schedules may also need to be adjusted in order to be responsive to the changes in these various factors.

APPENDIX A

Project Implementation Schedule



Village of Shorewood 2025-2034 Long Range Plan

Updated Jul-30-2024

	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2025 to 2034 SUB TOTAL
General Infrastructure Finances by GO Bonds											
Local Road Program							3,260,000	3,875,000		1,000,000	8,135,000
Alley Reconstruction							750,000		750,000		1,500,000
Lake Drive	1,262,000										1,262,000
Sidewalk Program (costs)	40,000	40,000	200,000		200,000		200,000		200,000		880,000
Oakland Avenue (North)		4,075,000									4,075,000
TID 5 funding		(4,075,000)									(4,075,000)
Oakland Avenue (South)						4,075,000					4,075,000
Street Lighting Improvements (Not Lake Dr)	3,233,000	2,966,000	3,218,000	3,517,000	3,640,000						16,574,000
Future Facilities (DPW)	2,000,000	1,000,000	20,000,000								23,000,000
Future Facilities (VH)		500,000									500,000
Future Facilities (VC)											0
Refuse Trucks (2 in 2027, 2 in 2029)			832,000		832,000						1,664,000
Sub Totals:	6,535,000	4,506,000	24,250,000	3,517,000	4,672,000	4,075,000	4,210,000	3,875,000	950,000	1,000,000	57,590,000
Sewer Capital Projects Financed by Utility											
SEACSI Phase 2A Lining	950,000										950,000
SEACSI - Phase 3 (Lake Drive)	1,023,000										1,023,000
Oakland Avenue (North)		235,000									235,000
TID 5 funding		(235,000)									(235,000)
Oakland South						235,000					235,000
Sub Totals:	1,973,000	0	0	0	0	235,000	0	0	0	0	2,208,000
Water Capital Projects Financed by Utility											
Funded By Utility											0
Lake Drive (Mains and Public LSL)	1,636,000										1,636,000
Mains		2,951,000	2,951,000	2,951,000	2,951,000	2,951,000	2,951,000	2,951,000	2,951,000	2,951,000	26,559,000
LSL Public		984,000	984,000	984,000	984,000	984,000	984,000	984,000	984,000	984,000	8,856,000
LSL Private	1,105,000	1,322,000	1,322,000	1,322,000	1,322,000	1,322,000	1,322,000	1,322,000	1,322,000	1,322,000	13,003,000
Oakland Avenue (South) Meter Vault		500,000									500,000
Oakland Avenue (North)		2,330,000									2,200,000
TID 5 funding		(2,200,000)									(2,200,000)
Sub Totals:	2,741,000	5,887,000	5,257,000	5,257,000	5,257,000	5,257,000	5,257,000	5,257,000	5,257,000	5,257,000	50,554,000

APPENDIX A

Project Implementation Schedule



LEAD SERVICE LINE REPLACEMENT PROGRAM

With the 2022 adoption of its Lead Service Line Replacement Program [Policy 44](#) and [Ordinance 3043](#), the Village of Shorewood stated its goal to remove all lead service lines - public and private - from the Village's water system within 20 years. The subsequent release of the federal lead and Copper Rule Improvements (LCRI) has set a standard of 10 years for public water utilities to replace all public and private lead service lines within their systems.

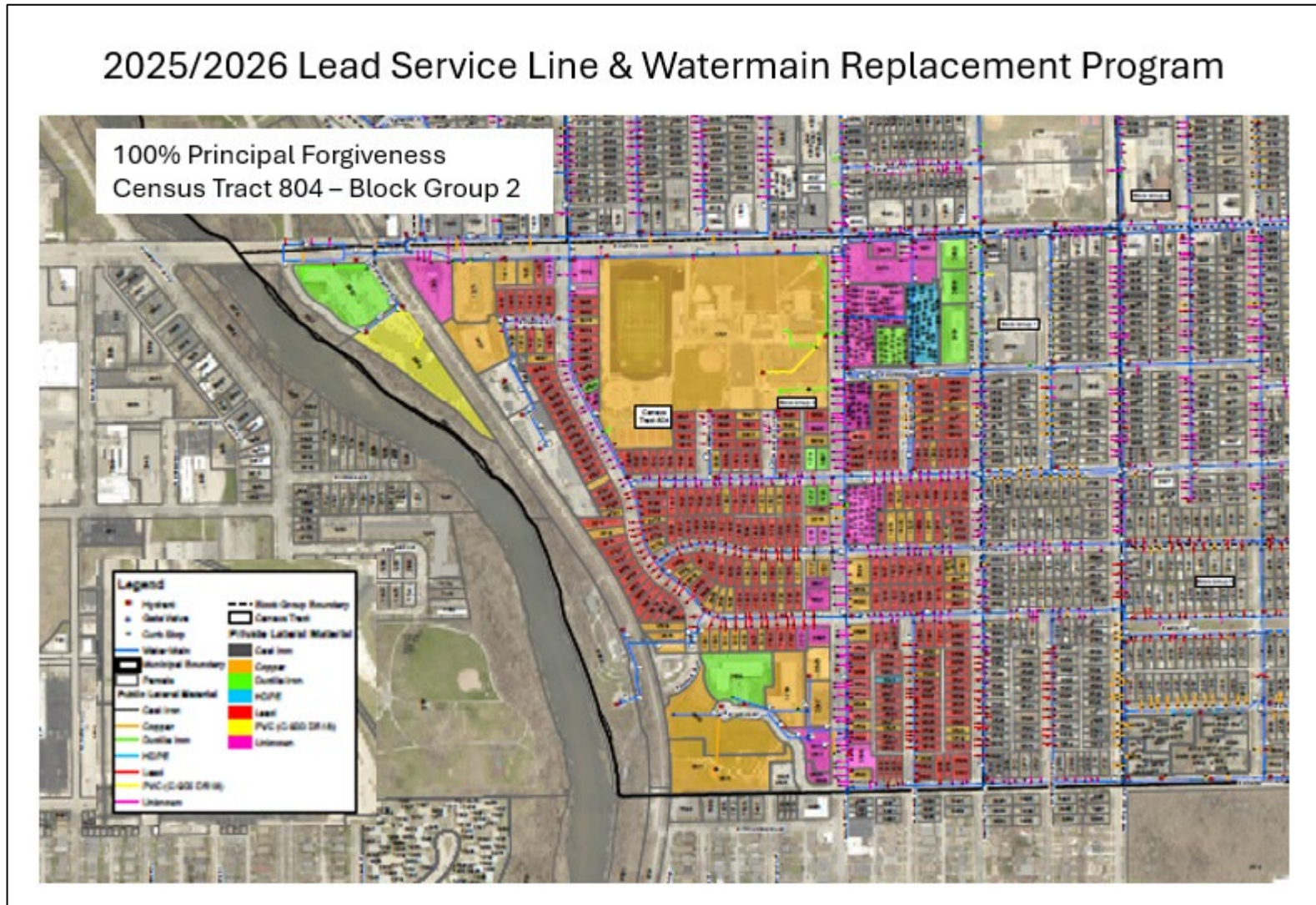
Regardless of the time frame, the implementation of this program begins a commitment to a monumental infrastructure investment. The replacement of public and private lead services lines will drive the development of the Village's infrastructure projects for the foreseeable future.

Since the year 2000, the Village of Shorewood has replaced the municipal portion of existing lead water services with copper. However, the replacement of the water main has not kept pace with the Wisconsin Public Service Commission's recommended replacement rates. In many locations, the age and condition of the existing water main will not permit the connection of dozens of new services in each block. As such, this document assumes that all water mains will require replacement to achieve the stated lead service line replacement goal. While this is not true in 100% of the locations, it is a good rule of thumb for planning purposes. Of course, the water main condition will be evaluated during the engineering of each project.

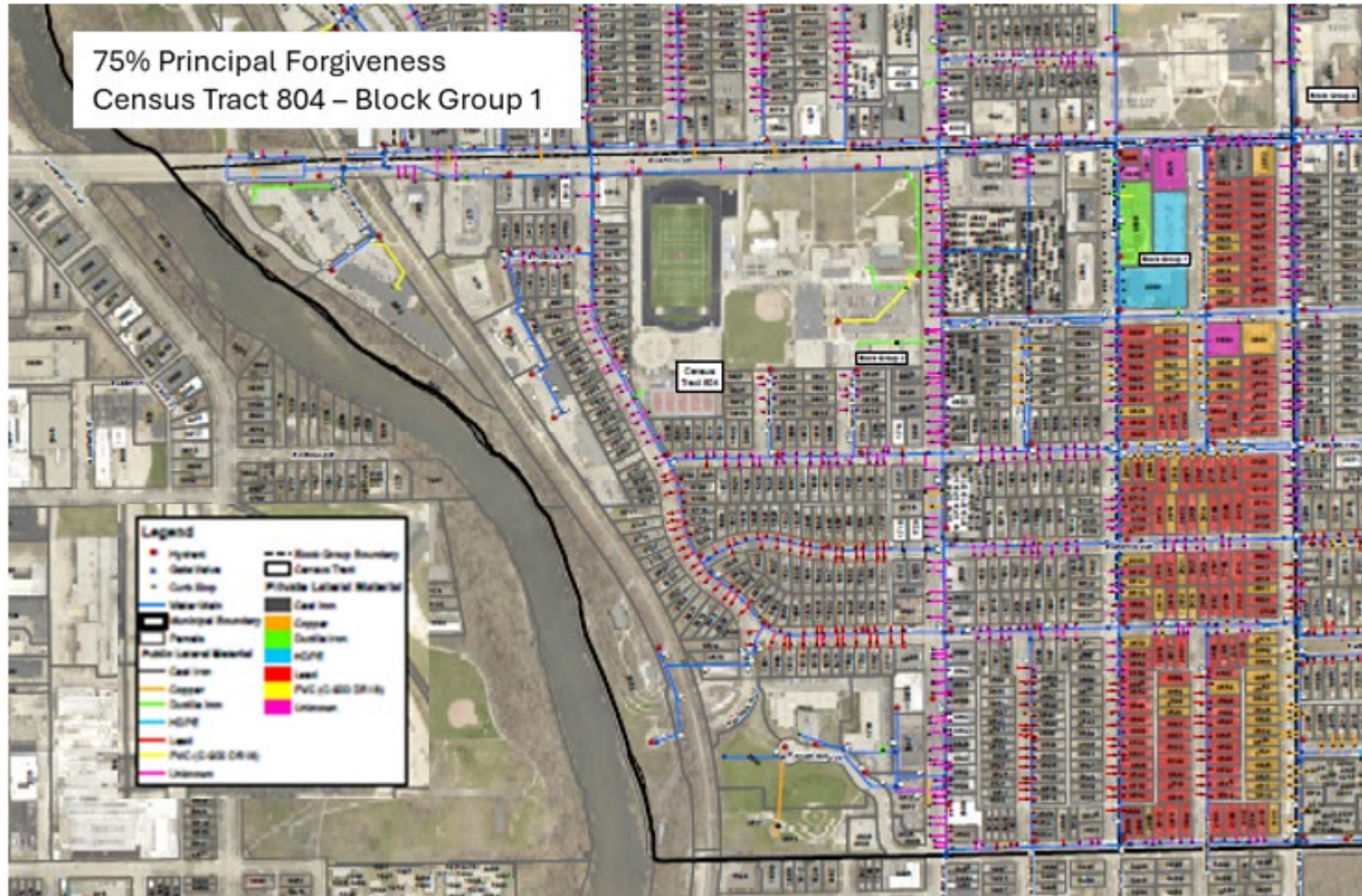
The Bipartisan Infrastructure Law has identified three Census block group areas in the Village of Shorewood as eligible for federal funding in the form of some level of principal forgiveness for the replacement of private (only) lead service lines. As of this writing, it is the Village's intent to apply for this funding. Due to uncertainty about the exact date(s) the funding would be awarded and available, the dates attached to the following project schedule should be regarded as preliminary and subject to change.



2025/2026 Lead Service Line & Watermain Replacement Program



2026/2027 Lead Service Line & Watermain Replacement Program

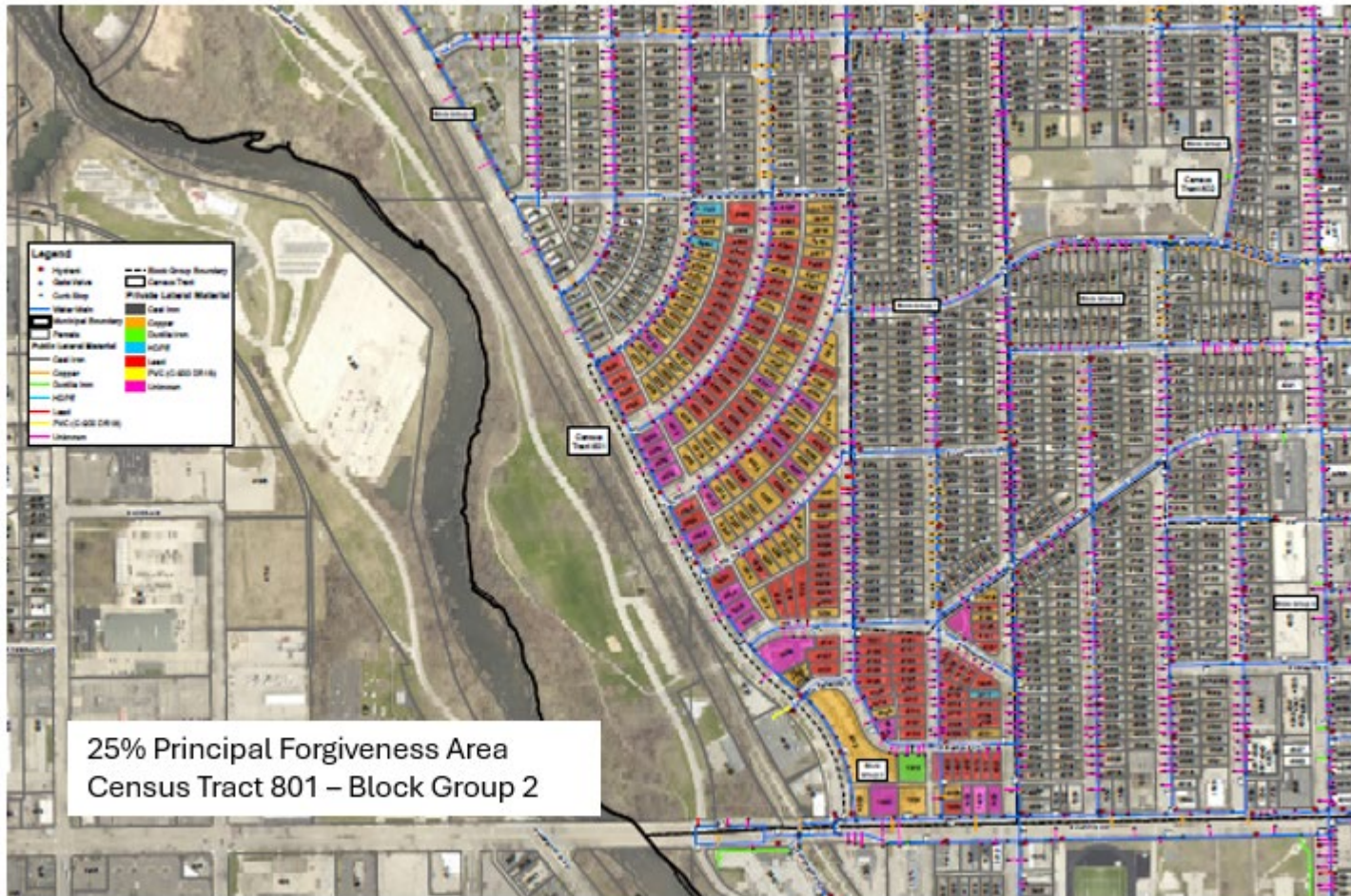


APPENDIX A

Project Implementation Schedule



2025/2026 Lead Service Line & Watermain Replacement Program



APPENDIX A

Project Implementation Schedule



PAVEMENT MANAGEMENT PLAN

The Village's [Pavement Management Plan](#) (PMP), adopted in 2009 by the Shorewood Village Board of Trustees, comprehensively addresses improvement and maintenance activities in order to maximize the useful life of existing pavements. As set forth in the plan, residential street reconstruction is scheduled in even calendar years with major maintenance programs and alley projects completed in odd calendar years.

The plan has been updated several times since its adoption, most notably in response to the 2011 [Comprehensive Sewer Facility Plan](#) developed in response to the July 2010 flooding. In 2012, 2014 and 2016 combined road and sewer improvement programs were implemented.

It is anticipated that the PMP will be updated following the finalization of a Lead Service Line Replacement Program schedule.

APPENDIX A

Project Implementation Schedule



ALLEY RECONSTRUCTION PROGRAM

The current Pavement Management Plan includes an alley component which addresses the reconstruction and maintenance of alleys in odd calendar years. Reconstruction programs have been identified based upon pavement condition ratings with a goal of geographically grouping alleys to form a cohesive project area. In many cases, storm sewer improvements are also recommended to address drainage concerns. In the separated sewer area MMSD Green Solutions funds have been used to offset the costs of green infrastructure components which will provide a mechanism for the Village to move toward TMDL (stormwater pollution) compliance.

The fiscal and staffing resources necessary to implement the Lead Service Line Replacement program will impact the previously developed alley replacement schedule. The current funding schedule does not propose alley reconstruction before 22XX; it is anticipated that additional operating funds will be identified to address short-term alley pavement maintenance issues in the interim.

APPENDIX A

Project Implementation Schedule



OAKLAND AVENUE RECONSTRUCTION

NORTH OAKLAND AVENUE RECONSTRUCTION

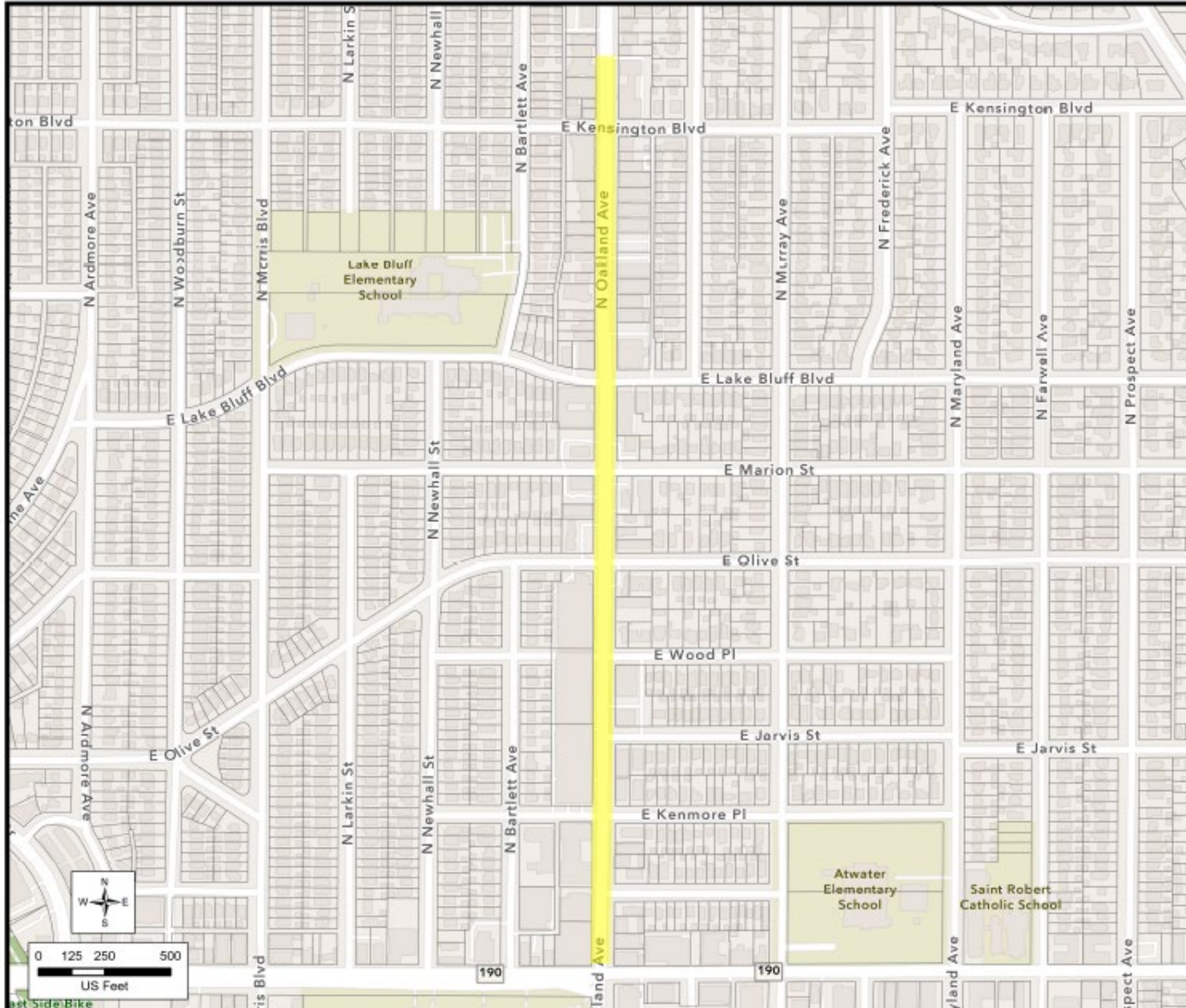
Reconstruction of [Oakland Avenue north of Capitol Drive](#) is planned for 2026. The engineering effort, which includes pedestrian and bicycle safety improvements identified in the 2020 Transportation and Parking Analysis as well as green infrastructure enhancements, is completed. In addition to roadway improvements, the water main – including private lead service lines - will be replaced for the length of the project.

The current project schedule includes the selection of a construction inspection/management firm in mid-2025 and a construction contract award in the fall of 2025. Construction is anticipated to begin in early spring of 2026.



APPENDIX A

Project Implementation Schedule



2026
**NORTH OAKLAND AVENUE (NORTH OF CAPITAL DRIVE)
WATER MAIN, LEAD SERVICE REPLACEMENT,
AND ROAD RECONSTRUCTION**
VILLAGE OF SHOREWOOD
MILWAUKEE COUNTY, WISCONSIN

SA
STRAND
ASSOCIATES®

FIGURE 1
3646.011

APPENDIX A

Project Implementation Schedule



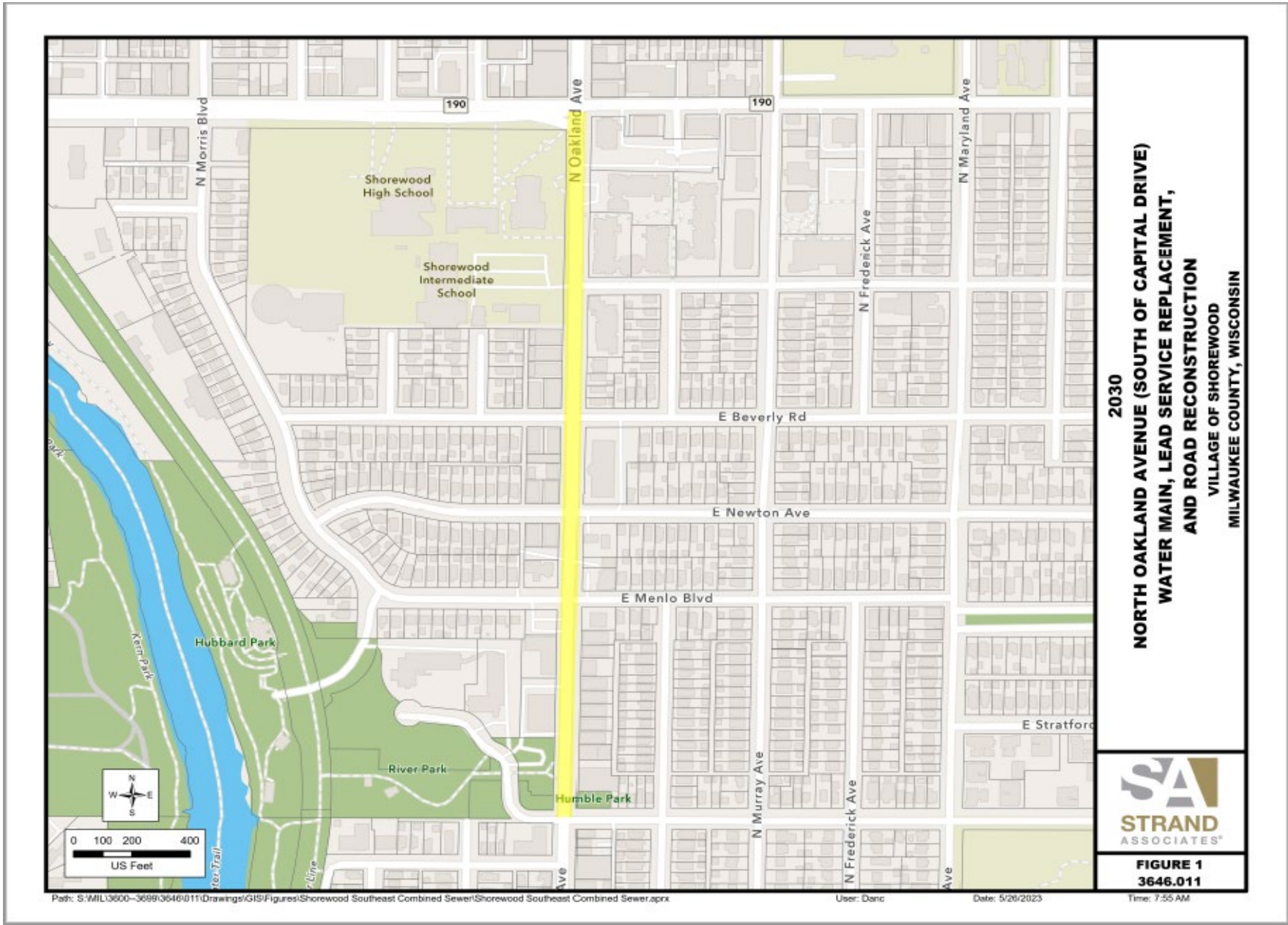
SOUTH OAKLAND AVENUE RECONSTRUCTION

The segment of Oakland Avenue south of Capitol Drive was resurfaced during the summer of 2021 as an interim measure. Full reconstruction is proposed to occur in 2030. It is anticipated that design engineering, to include a green infrastructure analysis, will begin in 2028.

The project area is entirely within one of the Census block groups designated for private lead service line replacement funding in the Bipartisan Infrastructure Law. Development of that project may impact the scope and schedule of the reconstruction of the 3500-3900 blocks of Oakland Avenue.

APPENDIX A

Project Implementation Schedule



APPENDIX A

Project Implementation Schedule



OAKLAND METER VAULT RELOCATION

The water purchased from Milwaukee Water Works enters the Village through meters housed in sub-surface vaults along Edgewood Avenue at the intersections of N. Downer and N. Oakland Avenues. The Downer structure was replaced in late 2020.

The Oakland structure does not meet current DNR codes or confined space entry requirements. The Village is responsible for the maintenance and operation of the vault and all equipment located within except for the master meters owned and maintained by Milwaukee Water Works. It is proposed that this structure be relocated out of the roadway to the northwest corner at River Park in the approximate area of the vacated BublR Bike station (subsurface). The replacement structure will comply with all current safety requirements.

This project was previously planned for 2025 implementation; however, it is anticipated that the pending STH 32/Lake Drive reconstruction projects in both Shorewood (2025) and the City of Milwaukee (2024) will have significant traffic impacts on the intersection. As such, the project is currently planned for 2026.

APPENDIX A

Project Implementation Schedule



SOUTHEAST AREA COMBINED SEWER IMPROVEMENTS

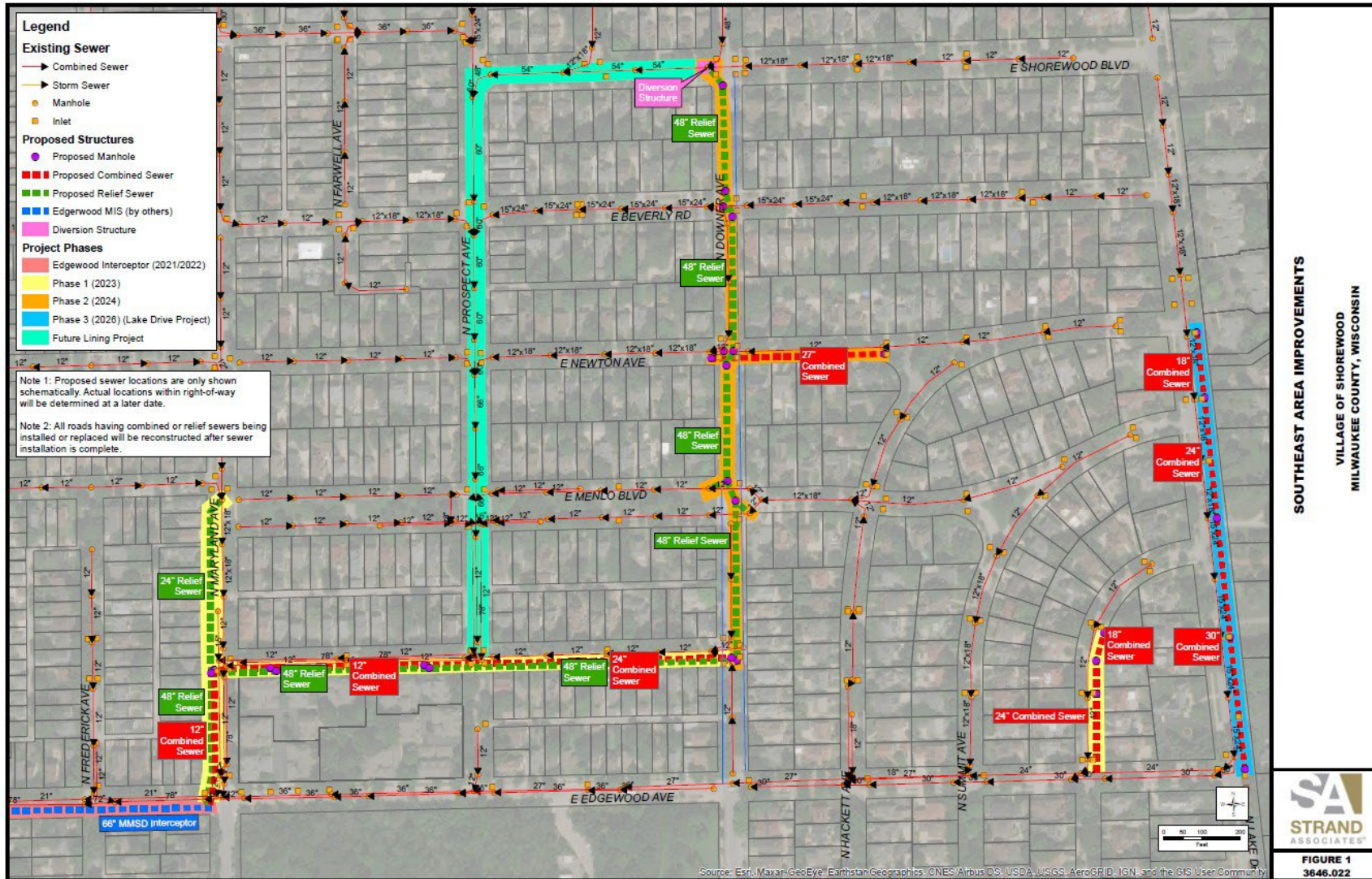
The Village's [2011 Comprehensive Facility Plan](#) outlined recommendations for significant [improvements to the combined sewer system](#) which serves approximately the eastern half of the Village. The recommended improvements for the north combined area were constructed in 2016 under the Northeast Area Combined Sewer Improvements project. To address both the regulatory feasibility and the environmental impacts of proposed improvements to the southeast area system, the Village commissioned the [Combined Sewer Service Area Environmental Assessment](#) which was completed in early 2017.

[Service improvements evaluated by MMSD](#) in the same area were later incorporated into the Assessment report; recommendations included multiple construction and funding phases. MMSD completed the initial phase—the Edgewood Avenue Near Surface Collector project—in early 2023. The first of Shorewood's three construction phases was completed in 2023; Phase II is currently under construction. Phase IIa includes sewer lining work scheduled for 2025, and Phase III will occur in conjunction with the scheduled reconstruction of STH 32/Lake Drive, also in 2025.



APPENDIX A

Project Implementation Schedule



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APPENDIX A

Project Implementation Schedule



LAKE DRIVE PRIVATE LEAD SERVICE LINE REPLACEMENT

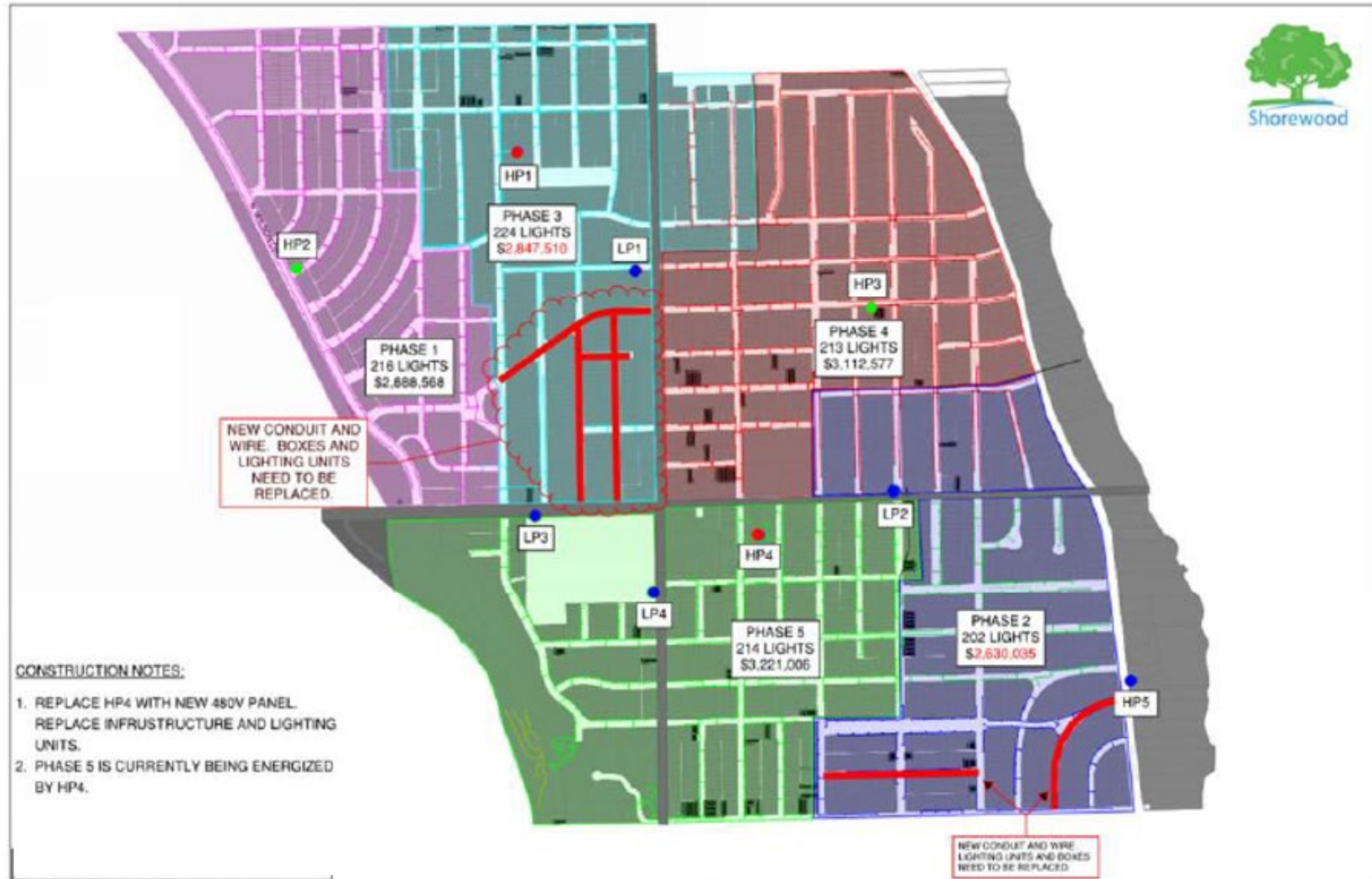
Watermain and municipal services will be replaced under the 2025 WisDOT Lake Drive reconstruction. Due to WisDOT requirements for the purchase of easements for private property work, the private portion of the lead service lines are proposed to be replaced under a Village-let project in 2026.

STREET LIGHTING SYSTEM REPLACEMENT PROGRAM

A [Street Lighting System Replacement Plan](#) was presented to the Village Board in April 2023. The plan recommends a phased replacement of the Village's existing system, including wiring, control cabinets, poles, and fixtures. KL Engineering was selected to prepare an implementation plan and design the replacement system. The plan identifies five project phases with construction to occur 2025-2029.



Streetlight Replacement Preliminary Phasing Plan



APPENDIX A

Project Implementation Schedule



SIDEWALK REPLACEMENT PROGRAM

Prior to 2023, sidewalk replacement had historically been funded through special assessments. Beginning in 2023, the Village Board approved the funding of public sidewalk replacement through general revenues. No formal program was identified for 2023, but Public Works staff addressed trip hazards and other significant issues throughout the Village utilizing a combination of grinding and replacement. The work was funded through a combination of operating revenues and a small capital allocation for concrete replacement.

The fiscal and staffing resources necessary to implement the Lead Service Line Replacement program will impact sidewalk replacement. It is the goal to return to comprehensive rotating geographic programs in the latter part of the 2020's; in the meantime, Public Works staff will continue to monitor general conditions and respond to hazards as they are identified utilizing a smaller annual funding allocation.

FUTURE PUBLIC WORKS FACILITY

APPENDIX A



Project Implementation Schedule

Over the last 15 years, the Village has procured two design studies and three organizational studies related to the Village's Public Works Facility. (These studies are located in the Public Buildings and Plans, Studies & Reports pages of our website.) These studies have shown that the current DPW facilities are undersized and physically spread over various outdated buildings. This condition has resulted in a drag on operational efficiency by requiring more staff hours to perform work, exposing vehicles to the elements, and necessitating frequent repair costs. The facilities compromise employee safety, were not designed with environmental sustainability in mind and are not compliant with ADA regulations. This was re-confirmed by the most recent 2022 Process Evaluation Report for Major Investments in Department of Public Works conducted by UW Milwaukee.

The Village of Shorewood is continuing to undertake a concerted effort to improve or replace the current DPW facilities located at 3801 N. Morris Blvd. The Village hired Barrientos Design and Consulting in November 2022 to conduct a needs assessment, site evaluation and conceptual plan for an improved facility. Included in the LRP are estimated costs for continued evaluation of current and future sites, environmental, construction and associated impacts. As more information becomes available, cost estimates will be refined annually for LRP planning purposes. The Village Manager, Planning & Development Director and Public Works Director will initiate the next immediate steps of securing real estate services, discussions with the City of Milwaukee, Milwaukee County and other jurisdictions, site investigation, environmental assessments, identification of permits and approvals for contemplated facility locations. Following this step, a design team for the future facility would be engaged to continue the design of a future facility.

DEPARTMENT OF PUBLIC WORKS FACILITIES

APPENDIX A



Project Implementation Schedule

The Department of Public Works is housed in a collection of buildings at 3801 N. Morris Boulevard. The main building, which includes the offices and work areas of all the divisions, was constructed as a Works Progress Administration project in 1936. In the years following a warehouse building and equipment garage were added in the same style as the main building. The garage was rebuilt following extensive damage suffered in a 1991 fire. Today the “yard” also includes a small storage building acquired in 1999 and originally constructed as a residence/garage.



Though the buildings were originally constructed for use as public works facilities, a facility designed for early 20th century tasks and equipment poses significant challenges today. A 2010 Service Prioritization Study called the facility “obsolete and inefficient” (p. 15) and noted its “negative impact on operating efficiency” (p.27).

A master plan for the Public Works facilities was completed in 2014. The final report included multiple recommendations for upgrading and reconfiguring both work and storage space to improve efficiency and service delivery. A facility condition assessment in 2022 is expected to identify facility upgrade recommendations.

As the village completes a new facilities condition assessment for public works, staff has added a placeholder of \$5 million in 2024 to include the impact of that level of spending on the fiscal analysis.

VILLAGE CENTER - HVAC

APPENDIX A



Project Implementation Schedule

Staff were asked to reflect a placeholder value in the schedule for potential future costs. Additional information and recommendations will be prepared here to be part of the Facilities Condition Assessment initiative which was approved in the 2021 Capital budget.

FUTURE FACILITIES – VILLAGE HALL

Staff were asked to reflect a placeholder value in the schedule for potential future costs. Additional information and recommendations will be prepared as part of the 2021 Facilities Condition Assessment initiative approved in the 2021 Capital budget.



APPENDIX B



FINANCIAL POLICY GUIDELINES

Adopted November, 2006,
Last revision: October 2017

In adopting the original financial management plan, the Board established policies related to debt management and tax rate impact. The Board will review these policy guidelines each time the financial management plan is reviewed.

1. GENERAL FUND UNDESIGNATED AND UNRESERVED FUND BALANCE

The Village shall seek to maintain its unassigned fund balance at a minimum of 30% of total general fund annual revenues. The purpose of the first 25% of this balance is to provide adequate cash flow during the year. Any use of these funds would require a two thirds vote of the Village Board.

The additional 5% is to provide the ability of the Village to respond to unforeseeable contingencies and opportunities that may not have been known at the time of budget preparation. Any use of the 5% fund balance referred to above must be replenished during the next budget process. *(It is noted, that as long as "levy limits" remain in place, the ability to replenish these funds will be possible only through cuts in other expenses or the raising of new non-levy revenues.) These uses are subject to approval by a two thirds vote of the Village Board.

In addition, the use of any amounts in excess of 30%, shall not be made, unless one of the following applies:

- A. Non-annually recurring expenses such as strategic plans or studies.
- B. Capital Expenses
- C. Debt Service Expenses
- D. Expenses which, in the opinion of the Village Board would constitute "an investment in the community" such as an investment in a revolving loan program.

These uses are subject to majority approval by the Village Board

APPENDIX B

Long-Range Planning Guiding Policies



2. TAX RATE STABILITY

A. Growth Projections and Assumptions

The long range financial plan reviews the impact of property taxes on a \$300,000 home. For purposes of calculating this impact, the Village has used the assessed values from the most current year and held that value constant into the future.

For debt capacity planning purposes, the future equalized values projections, assume 0.50% annual economic value increase. Adjustments for additional value were made for new construction within the Tax Increment Districts related to estimated future investments to be made by the Village at a ratio of \$4 of improvement value for every \$1 of estimated capital investment.

B. Capital Improvement Financing

The Village shall seek to maintain an equalized tax rate for debt at a level which does not exceed \$1.35 / \$1,000 of equalized valuation for purposes of financing its defined capital improvement plan. Any debt or new projects subsequently authorized by referendum would be in addition to this rate.

C. Operating Expenses & Staffing

The Village will project operating expenses and staffing needs and will integrate the projected impact of these needs with capital financing plans so that the tax rate required to finance both operations and capital can be coordinated and maintained at affordable levels but to avoid a “rollercoaster” effect upon taxpayers going forward. This will require annually reviewing projections and amending the operating and/or capital plan to address changing environmental conditions as part of the annual budget process. It is the Village’s intent to stay within the current state law on levy limitations. In the event that the levy limits are eliminated, the increase in the levy would be evaluated annually within the context of the needs of the Village and this multi-year management plan.

APPENDIX B

Long-Range Planning Guiding Policies



3. PRESERVATION OF GENERAL OBLIGATION BORROWING CAPACITY

It is the Village's philosophy that its general obligation borrowing authority must be protected and conserved. Wisconsin allows municipalities to borrow up to 5% of its Equalized Valuation on a general obligation basis.

The Village of Shorewood has the intention to limit itself to the use of no more than 50%, with a goal of 25%, of its general obligation debt capacity for tax levy supported capital needs and no more than a total of 75%, with a goal of 45%, of its general obligation debt capacity including all debt service funding sources. Utility debt, when feasible, shall be considered to be financed through utility revenue bonds. This policy would allow the Village to control its direct debt burden while still meeting its capital needs.

The Village Board acknowledges that the current long range financial plan includes significant capital infrastructure and economic development investments, the size and scope of which may cause the Village to exceed its goals for general obligation debt capacities for a period of time. It is the intention of the Village to continue to use these guidelines and to look for ways to decrease debt levels to within these targets over the long term.

4. DEBT PAYMENT STRUCTURE/DURATION

- A. The Village of Shorewood shall generally amortize its ongoing road maintenance plan with the issuance of general obligation debt with not more than 15 years duration. Exceptions may be considered for unusually costly projects.
- B. The financing of Tax Increment District expenses where the debt will be structured to match the projected cash flow of the district. It is also generally the policy of the Village to require development agreements in advance of the issuance of TID debt. The Community Development Authority will make recommendations in this regard.
- C. Larger building projects with projected useful lives of 20 or more years may be financed with 20-year General Obligation Bonds.
- D. It is also generally the philosophy of the Village to avoid balloon payment structures or significant back loading of the issue where more than 50% of the principal is matured in the last 2 to 3 years of the issue. An exception may be made to accommodate cash flow constraints of tax increment financing.

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5. INTERFUND ADVANCES

Interfund advances may be made from time to time to support projects within the Enterprise funds, these advances will be repaid in full based upon an approved arrangement. It is the intent of the Village that the Enterprise funds be self-supported by way of their own operating revenues.

6. MAINTENANCE AND ENHANCEMENT OF CREDIT RATING

Shorewood recognizes that a high quality credit rating is important to achieving the lowest possible cost of debt when debt is used to finance capital needs. In addition, a high quality rating is reflective of sound financial management and prudent operating practices. It is therefore the Village's policy that its current Aa2 credit rating be maintained and that efforts be made where possible to seek to upgrade this rating. To this end the Village is committed to maintaining positive working relationships with the Credit rating agencies and will cooperate with the representatives of such agencies through the provision of information and, when appropriate, through personal presentations to the analysts responsible for review of the Shorewood account.

7. FEES FOR SERVICE

The Village currently utilizes user fees for certain services it provides. Examples are water usage fees and sewerage fees. Due to the State imposed levy limits; the Village may consider expanding this practice of user of fees in lieu of property tax levy to provide revenue to defray the costs of certain services. Other examples of these types of fees would be Storm Water management fees, transportation fees and special assessments. The Village Board would review these fees annually to ensure that they are adequately covering the costs of providing such services.

8. SUMMARY

The Village has developed these policy objectives with the intent of setting forth its philosophy related to fiscal management. The Village Board and staff recognize that circumstances change and that these objectives must be reviewed annually, however it is the intent of the Village of Shorewood to follow these general principals in subsequent years in order to assure the continued improvement of the Village's fiscal integrity. This multi-year financial plan has thus been developed in a manner to be fully consistent with the policy guidelines set forth above.

